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FRANKLIN ROOSEVELT has so far swept everything before him with the strength and velocity of a March wind. His measures have been designed with consummate skill to give the country what it most desires: a sense of vigor and action. The slow results may fall short of the demands of the crisis and so prove ultimately disappointing, but the first effect has been thoroughly satisfying. One may doubt the wisdom of any one of his measures and yet be won by their form and manner of presentation—so refreshingly in contrast to the dull and ungrammatical pronouncements of his unlamented predecessor. Mr. Roosevelt's messages have been direct, terse, vigorous; his public statements lucid and simple. His address to the people over the radio was strikingly effective, partly because his voice is clear and attractive, partly because his words brought into the room a friendly, personal tone to which the most skeptical listener must have responded. His expression was varied and forceful, but never oratorical; he did not "talk down." His approach to the press in Washington has been equally successful. He has abolished the subterfuges behind which Harding, Coolidge, and Hoover took refuge. He employs no "White House spokesman"; he demands no questions submitted in advance. He talks to the correspondents face to face and answers their questions directly and without preparation. Finally, he shows no inclination to utilize the old tactics of silence and deception as methods of "restoring confidence." As we go to press he is insisting upon the continuance of the Senate inquiry into banking practices—the very inquiry which, according to fearful conservatives, is supposed to have weakened confidence before the bank holiday. To us this act is an encouraging sign that Mr. Roosevelt realizes how much remains to be done before the financial structure can be considered sound. All of these attitudes reveal him as a person of courage and candor.

THE PRESSURE of public opinion has for once put to rout the organized lobbyists of Washington. Whether or not we like the powers bestowed upon President Roosevelt by Congress in the matter of reducing federal salaries and Veterans' Bureau expenditures, it must be conceded that he has been given this power in the face of the desperate efforts of one of the most powerful lobbies ever known in the national capital. As soon as the terms of the President's economy bill became known, these lobbyists invaded the Capitol and poured all sorts of dire threats into the ears of Senators and Congressmen. Their attack threatened for a while to disrupt the Roosevelt program, but so strong had the popular demand for government economy become that Administration leaders had no difficulty in finding two Republican votes for every Democratic vote that was captured by the representatives of the veterans and federal employees. The public will have its economy, but whether that will bring any immediate reduction in taxes is exceedingly doubtful. The best thing about the measure is its assertion that an end has at last been made of the scandalous draining of public funds into the pockets of persons who have no legitimate claim upon it.

UNEMPLOYMENT RELIEF was almost lost sight of in the frenzy of the Roosevelt Administration's first fortnight. This grave problem should have received attention immediately after the passage of the emergency banking law. Certainly it should have come before Mr. Roosevelt's beer bill. It is reported that there has been a difference of opinion as to whether construction of public works or direct relief should be given precedence in the Administration program. Because of the pressing emergency it would be only natural and human to put direct relief first, to adopt the La Follette-Costigan plan and then proceed to a program of public building. It takes time to prepare plans and begin construction. Moreover, this sort of relief costs on the average 30 per cent more than direct assistance to the unemployed. The first need is to get food, clothing, shelter, and medical attention to those who must have it today, not next week or next month. By the time these lines appear Congress may have received from the White House a specific plan. Whatever it may contain—and we are assured that it will be much broader in scope than any relief program yet presented to Congress—the division of opinion between those who favor construction and those who want direct relief should not be allowed to delay its passage.

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AT THE LAST MINUTE, fortunately, the provision for the housing of homeless boys in military training camps was cut out of the War Department bill. Not only would the measure have resulted in schooling some 88,000 boys in military attitudes and technique; it would also have meant a quite unnecessary expenditure of $22,000,000. For the Forestry Service of the Department of Agriculture has stated that it has at its disposal several million acres of land for the housing and training of transient boys and young men. On these tracts of land are living accommodations for thousands of men which are ready for immediate occupancy. Several of the larger tracts are in the Southeast, in Louisiana and Florida, a part of the country to which thousands of transient boys have flocked during the winter months. The Forestry Service states further that it has work for 109,938 men and boys annually and is willing to pay its employees from $3.50 to $4 a day. Now that the army-camp proposal has been defeated, the government should proceed immediately to put into effect this excellent plan for employment and constructive relief.

AS A MEMBER of the Senate Claude Swanson was sent to Geneva by President Hoover with instructions to work for the limitation of armaments. But the moment he entered the Roosevelt Cabinet as Secretary of the Navy he joined the admirals in bellowing for an "adequate" navy. Of course, Secretary Swanson was never a sincere advocate of disarmament—his presence at Geneva was simply another manifestation of the thinly disguised hypocrisy with which the United States and other Powers have regarded the disarmament conference. The Secretary says the navy should be built up to the extreme limit permitted by the London treaty. In view of President Roosevelt's vigorous and determined economy program it does not seem likely that this goal will be attained. Nevertheless, by their unending public utterances on the subject, men like Swanson and Chairman Vinson of the House Naval Affairs Committee are tending to commit Mr. Roosevelt to a big-navy program. If the President does not agree with these men who are members of his party and Administration he must silence them by letting the country know precisely where he stands on the naval question. Until the President disavows the recent statement of Secretary Swanson, the country will believe, justifiably, that the militaristic Swanson accurately reflects the views of Mr. Roosevelt.

WE CANNOT CONCEIVE of a gesture less complimentary to the memory of the late Thomas J. Walsh than the appointment of John E. Erickson as his successor in the Senate. The place heretofore filled by a public servant of fine intelligence and distinguished record is now to be occupied by a second-rate provincial politician who has been elected three times Governor not because of any fitness, mental or otherwise, but merely because he has been entirely acceptable to the copper interests that control Montana. The story of the methods by which he has been so often elected would include the appearance in one campaign of a mysterious "labor" newspaper supporting his candidacy. His appointment to succeed Senator Walsh involved a fast sleight-of-hand performance in which he resigned as Governor and was succeeded by the Lieutenant Governor, who gratefully appointed his predecessor to the Senate. In every way except technically, Governor Erickson appointed himself to fill the seat left vacant by Senator Walsh. It is doubtful whether anyone else in Montana would publicly care to take the responsibility.

HITLERISM CONTINUES to move ahead with menacing speed in Germany, although Adolf Hitler himself seems suddenly to have taken a more cautious public attitude. He speaks of peace, of a desire for universal disarmament—if only the rest of the world will disarm. He sternly orders the police to suppress hooliganism, a term which the American correspondents have adopted as a synonym for Hitlerism. But the German Chancellor only mocks himself, for even as he speaks the fascist excesses multiply in scope and ferocity. Jews and persons mistaken for Jews are attacked in growing numbers by the Nazi hooligans; Bavarian Cabinet ministers are dragged off to police stations in their night clothing, "under arrest"; Socialist and liberal members of the Reichstag are kidnapped; Communist leaders are found murdered on the public highways; foreign journalists are threatened with expulsion; the democratic newspapers are frightened into silence or suspended without explanation, as in the case of the liberal *Berliner Tageblatt*. What other perhaps more horrible outrages are taking place behind the veil of censorship can only be guessed at. But these acts of the fascist underlings are no worse than those of Hitler and his immediate lieutenants. They have captured the governments of Bavaria and four smaller states by a coup resembling that by which Von Papen nine months ago seized Prussia. They are browbeating Hans Luther, the competent and conservative president of the Reichsbank, and probably will force him to resign in favor of Hjalmar Schacht, the loose-tongued, erratic former president. England and France are gravely concerned with this turn of affairs. They are now reported to be preparing a common program of action "to guard against the German peril," just as the British and French general staffs secretly prepared a similar program for a similar purpose only a few years before the World War.

THE RISING TIDE of Hitlerism in Austria is also disturbing the large European Powers. Chancellor Dollfuss has at the invitation of President Miklas assumed dictatorial powers, ostensibly to check the increasingly confident Austrian Nazis. He has outlawed all political demonstrations and established a strict censorship of the press. Thus far he has retained the support of the army. Vienna dispatches say that troops have been called out to protect that city and that other army units have been concentrated along the German frontier. Despite these precautions, the Nazi movement continues to spread. It has even penetrated the ranks of the Christian Social Party, of which Chancellor Dollfuss is titular leader. For example, the city council of Kramsach, which has a Christian Social majority, recently made Adolf Hitler an honorary citizen. The advent of fascism in Austria would perhaps have no considerable international importance were it not that the Nazis are determined to bring about a union of Austria and Germany. "Not Dollfuss but Hitler is our Chancellor," declared Alfred Frauenfeld, leader of the Austrian party before a meeting of 40,000 Nazis in Vienna. "We have all Germany behind

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us and we cannot be stopped." France showed in 1931 that it was ready to go to any length, even so far as to wreck Europe, to prevent the Austro-German *Anschluss* from materializing. There is no good reason to suppose that France has changed its policy in this respect.

PRESIDENT VON HINDENBURG, the man who swore to uphold the German constitution and for years defended the republic against all political comers, is dead. The old Field Marshal von Hindenburg, the Prussian militarist, the devout follower of the monarchy and the Kaiser, has now taken his place. That he has gone over body and soul to the Hitlerites is shown by his order declaring that not only shall the black, white, and red flag of the Kaiserreich float over public buildings, but that the swastika, the hooked cross of Hitler, must fly by its side. This is a direct violation of the constitution of Weimar; it spells complete treachery to the republic; it enables Frederick T. Birchall, a correspondent of the New York *Times,* to cable that "on this day the whole Reich took farewell of the Weimar republic and the regime built upon it." "These flags," says the Hindenburg decree, "unite the glorious past of the Reich and the puissant rebirth of the German nation." So over the remains of the German republic flies not only the flag of 1914, but the personal flag of Hitler, which stands for the abolition of personal liberty, for prejudice, for reaction, for race hatred and persecution, for terror and murder—all in the name of nationalism and the "puissant rebirth" of the nation whose military threat helped to keep Europe face to face with war for generations. Poor Germany! She is apparently bound for years to pay a high price for the inefficiency and the too easygoing and generous character of the Social Democratic republic.

THE LEAGUE OF NATIONS is being further embarrassed by the great Powers in its efforts to discipline Japan. First the British virtually wrecked the League's program for forthright action against the Japanese by declaring an arms embargo against both China and Japan. Having done this, the British withdrew their embargo order. Now Russia, without whose cooperation the Far Eastern problem can never satisfactorily be adjusted, refuses to accept membership on the Committee of Twenty-one designated to draw up a plan of action in Japan's case. The Soviet note to Geneva broadly intimated that Moscow's refusal was based on the failure of the United States to recognize the Soviet Union. Moscow certainly has some justification for its attitude; it would seem ludicrous for these two countries to work together to solve an important international problem while the government of one country refuses to acknowledge the existence of the government of the other. The United States has formally accepted the League's invitation to cooperate in the work of the Committee of Twenty-one, but has reserved its right of independence of action. Whether this guarded collaboration will reassure the League and encourage a strong stand against Japanese aggression is doubtful. It can hardly commit its members to any clear-cut action or attitude as long as the position of Russia and the United States remains undefined. And while Geneva, Moscow, and Washington are thus feeling their cautious way, Japan continues unconcernedly about its business of swallowing China piece by piece.

THE SCOTTSBORO BOYS have been granted a change of venue for their new trial. But Decatur, Alabama, is from all reports just a larger Scottsboro. It is only fifty miles away and lies in the same belt of race prejudice and provincialism. Within recent weeks the defense has obtained a photostatic copy of a letter presumably written by Ruby Bates, a principal witness for the prosecution, in which she repudiated her trial testimony and denied that she was attacked by any of the boys accused. But Ruby Bates disappeared from her home on February 27 and may not be found in time to tell her story at the second trial. Another attempt is being made to obtain a change of venue to Birmingham, where, the defense feels, a more civilized public opinion would increase the chances of a fair trial. The defense at the same time is trying to have the indictment quashed on the ground that Negroes were systematically excluded from the grand jury. The chance of success in either of these attempts seems slight—and the mere raising of these issues will tend to increase further the racial antagonism in Decatur. The Scottsboro boys are now more than ever in mortal danger. It is likely that only the pressure of public opinion upon the State of Alabama can save their lives. We hope that that pressure will be increasingly applied, by letter, by telegram, and by widespread publicity.

THE LONG WAR between the New York theatrical managers and the stagehands' union has entered a new phase. Under present conditions, and especially during the bank holiday, there has been a tremendous increase in the number of productions which cannot survive if the regular salaries are paid to actors and stagehands, but which could continue if the overhead were reduced. The Actors' Equity Association has agreed to permit its members to act in return for a percentage of the receipts if the stagehands will accept a similar arrangement. So far, however, the union has refused to consider the scheme, and the producers are threatening to post closing notices on a large number of current productions. Under the circumstances it would seem that the union is unwise and unreasonable. It naturally fears that the proposal might be disingenuous and constitute a plan for permanently reducing the wage of union members, but the managers appear to be willing to guarantee adequate safeguards. In many cases it is a matter of life or death for the individual production. Surely stagehands as well as actors would be better off under some such profit-sharing agreement than completely out of employment.

MARIA LUISA ARCELAY, member of the Porto Rican House of Representatives and Latin America's only woman legislator, is sponsoring a bill for the establishment of birth-control clinics on the island. A year and a half ago, in his inaugural address, Governor James R. Beverley, exhibiting a courage rare in public officials, stressed the necessity for birth control. In his first annual report a year later, he called attention to the steady increase in population—more than 2 per cent in the preceding year—bringing the total up to 1,599,142 inhabitants, or 465.5 per square mile. This is more than eleven times the density of population in the United States—a comparison which does not disclose the full extent of Porto Rico's dilemma since the island is wholly agricultural and a considerable part of its land is not arable. A

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typical rural State such as Kansas supports just one-twentieth as many people per square mile. Porto Rican families average eight members, and more than half of these families live in one-room shacks. Of course, the two Catholic bishops—Byrne of San Juan and Willinger of Ponce—are calling for the defeat of the bill. In a country like Porto Rico such opposition is positively anti-social, even though other factors, such as the absentee landlordism of the American sugar companies, have helped to bring about Porto Rico's desperate poverty. But it is footless to pour "relief," as continental Americans have long done, into a community that will not adopt the maxim that "God helps those who help themselves."

WITHIN the next few weeks those of our readers who are not more than usually lucky will hear the words and music of a new song entitled "I'm Putting Money in the Bank Again." It has just been accepted for publication by the Miller Music Company, Inc., and the joker, according to *Variety,* is that the new Secretary of the Treasury is interested in the Miller Company to the extent of about $100,000. Of course there is no serious reason why Mr. Woodin should not make private profit out of such admirable propaganda for the public good; indeed, if he commits no graver indiscretion he may live to deserve the title of the Greatest Secretary of the Treasury since the Greatest Secretary of the Treasury since Hamilton.

IT IS NONE of our business and we have troubles of our own, but it does seem to us that King George is losing his grip. Our English friends, to be sure, continue to insist that his symbolical value is more than worth the cost of his keep, but the trouble is that the kindly and undistinguished gentleman doesn't seem to symbolize anything in particular. The Prince of Wales, of course, is different. Any man who can promote empire trade during the day and then spend his evening acquiring a reputation just ambiguous enough to intrigue a romantic nursemaid without shocking a respectable dowager, is valuable to any government. But modern conditions make it necessary that a king should be human, and that is the one thing that a symbol can't afford to be. Consider, for example, two recent items of news. One tells us that His Majesty has just set a good example to his people by giving three of his old suits to the unemployed. The other reveals that he and Queen Mary recently attended their first talkie, at which they were seen to laugh heartily at a "Silly Symphony." This is well and good even if not particularly original; but what is left of kingly majesty afterwards? Who can believe that any divinity doth hedge a man who is laughing at Mickey Mouse while an unemployed cockney is wearing his old pants about London? We know, to be sure, that "imperial Caesar turned to clay may stop a chink to keep the wind away." That is a remote possibility and sufficiently gloomy to be majestic. Indeed, a touch of mortality serves to emphasize the distinction of a king by calling attention to the one respect in which he shares our human weakness. But a man who discards his clothes because he has worn the seat shiny at a cinema is nothing else but human. You may call him King of England and Scotland. You may add Emperor of India for good measure, and translate the whole thing into Latin if you like. But a symbol which laughs at Mickey Mouse isn't worth much when it comes to holding the Empire together.

These They Cannot Take

THE Malefactors of Great Wealth have once more become unpopular figures. Gone are the days when it was fashionable to discover that they had been, even if unwittingly, contributing to the common good in mysterious ways, and we are not inclined to pity their present friendless state. But we are, in all seriousness, genuinely sorry for the vast number of Americans, big and little alike, who devoted their lives to nothing except "getting ahead." In the collapse of the world of which they were a part their tragedy is absolute, because they have seen both their material possessions and the only faith they ever had go down together.

The "intellectual," whether he was a professional or merely a spare-time amateur, is terribly lucky by comparison. He may have had less wealth to lose and he may have lost it as completely as his hard-headed companion. Actual want may be as near or even nearer to his door. But at least he has *something* left. He never committed himself to the belief that money was the only thing worth having, or that making his way in the world was the whole duty of man. He has something to fall back upon, something which still exists in the world he inhabits, and one is fortunate to possess so much as a hobby whose values are still sound. Even the man who can lose himself in a detective story or a jig-saw puzzle is not so utterly bereft as that practical citizen who sacrificed his life and confined his interests to the things which are now tottering. When banks close their doors, there are victims besides those who are plunged into actual want. There are also those hapless men who must repeat with a new emphasis the words of Othello:

> But there, where I have garnered up my heart,
> Where either I must live or bear no life,
> The fountain from the which my current runs
> Or else dries up; to be discarded thence!

The preachers who preached of "eternal verities" were perhaps as far wrong as the Poor Richards who enjoined thrift, for the treasures laid up in heaven were corrupted by rust long before the depression set in. But there are verities which still remain veracious. On the gold standard or off, "the topless towers of Ilium" is still a mighty line; *Sanguinaria Canadensis* still pushes its white flowers miraculously through the snow; and the integral of $2xdx$ is still x^2 plus C. Happy the reader who has learned to appreciate the first, the lover of nature who has learned to feel the beauty of the second, and the mathematician who can take that joy which only mathematicians know how to find in the cold beauty implied by the last.

Adversity, it is said, turns the mind to higher things, and moralists of the unctuous sort have predicted that the depression would be followed by that great spiritual awakening which failed to materialize after the war. As to that we have our doubts, for the simple reason that those who did not discover during prosperity what else life has to offer are not likely to discover it now. But the man who has always known may feel that his wisdom has been justified and that he has come into his own. To him the universe can never be as blank as at this moment it must be to thousands faced with a world in which business is not "as usual."

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The New Bank Law

THE emergency bank bill rushed through Congress in seven hours has many defects, but it is probably as good a bill as could reasonably have been expected under the circumstances. What it does, in effect, is to embody the principles of the Robinson banking law enacted in New York State a few weeks previously. After a new and hasty survey of Federal Reserve member banks, those banks declared to be 100 per cent solvent have been permitted to reopen in full. Banks found to be insolvent are not closed down, as they would have been under the old law, but permitted to remain open under the direction of a federal "conservator." They can then accept new deposits, segregating them, keeping them only in the form of cash or government securities, and undertaking to pay them out at 100 cents on the dollar. For the rest, they can make old deposits withdrawable to the extent that the conservator thinks safe, holding the remaining assets for gradual liquidation.

This means, in effect, that the new Administration has decided to let the bank depositor take his losses. The history of our dealings with the banks remarkably parallels that of our dealings with wheat and cotton. At first we decided that we could not afford to allow the farmer to sell his crop for what we regarded as ruinously low prices. We felt we could not afford, for example, to have him sell his wheat for $1.18 a bushel, so the government lent him money to hold his wheat off the market for higher prices, and itself entered the open market as a purchaser to "stabilize" the price of wheat. But after the futile expenditure of several hundred millions of dollars, during which the price of wheat, cotton, and other agricultural commodities continued to decline, the government felt that it could continue no longer, stopped buying, and finally sold. It sold at nearly the lowest prices, thus forcing those prices down still further and increasing the farmer's distress. In dealing with the banks, the Hoover Administration went on the assumption that the unparalleled shrinkage in the value of bank assets was temporary, as it had supposed the decline in agricultural prices to be. It therefore created the Reconstruction Finance Corporation to lend money to the banks to tide them over this supposedly temporary period of distress. After throwing billions of dollars into the gap, only to have the banks closed down after all, it felt again that the process could go no further. So now, the insolvent banks, instead of suffering gradual liquidation, are to be wiped out at once. The bank depositor is to be considered no more immune from losses than the stockholder, the real-estate holder, the bond holder, or the mortgage holder; he is being asked to take his losses with the rest, regardless of the individual cruelties involved.

The new currency is probably as satisfactory a solution of that aspect of the banking problem as could have been devised. Its success depends in large measure upon its administration. It is not in itself inflationary, for it means merely the substitution of hand-to-hand currency for deposit currency, of bank notes for potential checks. If there is no great run on the banks for withdrawals, the new currency will not be needed, and very little may be put out. Only in a run of extraordinary proportions could it prove inadequate.

The State banks that are not members of the Federal Reserve system have reason to complain of their treatment under the new law. They cannot take their liquid assets directly to the Federal Reserve banks for currency but must take them to some correspondent member bank. Some of them will doubtless experience difficulty in getting their paper indorsed. Possibly the intention behind this was to force non-member banks into the Federal Reserve system, but it may be questioned whether the Administration was justified in using such strong-arm tactics at this time. The provision permitting the Reconstruction Finance Corporation to buy preferred stock in national and State banks will doubtless save some institutions that would otherwise be embarrassed. It represents at least some tempering of the Administration's policy of letting the devil take the hindmost.

It should be recognized, however, that the new banking bill is essentially a stop-gap measure. It does nothing to remedy the fundamental ills of our banking system. It will doubtless bring more banks into the Federal Reserve system, but banks brought in by these methods may resent them, and withdraw at the earliest opportunity. We shall not have a genuinely unified banking system until the power of the individual States to grant banking charters has been removed. A constitutional amendment to make this possible should be submitted to the States immediately. Nothing less than a unified system of national banking under rigid government control can get to the root of the difficulties that have resulted in the present collapse.

By suspending gold payments we have for the time being abandoned the gold basis. There should be no attempt to return to it at the old parity of the dollar; we have suffered enough through making a fetish of that parity. Our first step should be to ask for the calling of the World Economic Conference at the earliest opportunity, and we should propose at that conference a general and uniform devaluation, by approximately 50 per cent, of the world's currencies. Failing a general agreement, we should attempt to reach one with Great Britain. Failing such an agreement, we should act alone. Only by this method can we hope to achieve a rise of commodity prices to pre-depression levels. Only by this method can we hope to exercise any real control over the price level, to inflate to the extent that we want to inflate and no more. Elsewhere in this issue we print an article by Lawrence Dennis taking a different point of view, but we cannot accept his criticisms of devaluation or his own plan for the issuance of government fiat money. To issue such money would create, in our opinion, a situation that could not be controlled; the value of such currency would fluctuate daily, largely in accordance with the whims of international speculators. A price in any gold-standard country represents the relation between the value of gold and the value of the commodity priced. If the gold unit in which the price is expressed is cut in half, the price, other things being equal, will double. As other things will not be entirely equal, this consequence is not inevitable; it is merely immensely probable, but in all human affairs we must deal with probabilities and not with certainties.

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Destroy the Money Power!

NOW that the crisis has yielded slightly to emergency measures, it is imperative that the new Administration should go to the bottom of the whole complex disaster and lay enduring foundations for a new financial and economic system. And it would be well for President Roosevelt to press to the full the unique strategic advantage given him by the magnitude of the disaster.

The dramatic closing of every bank in the United States has emphasized the primarily financial nature of the greatest failure in American history. The catastrophe—whose end is not yet—may justly be ascribed to the assumption of control of the nation's life by the money power. Just before assuming the Presidency, Woodrow Wilson warned the American people that the "money monopoly" dominated the country, that it controlled our entire system of credit, that all our activities were in the hands of a few men who "by very reason of their own limitations, chill and check and destroy genuine economic freedom." Twenty years ago Louis D. Brandeis wrote even more prophetically, "We must break the money trust or it will break us."

We have not broken it and it has broken us. In a pioneering series of articles, appearing first in *Harper's Weekly*, later in book form, and recently reissued,* Justice Brandeis, with ample specifications, sounded a warning which, if heeded, would have gone far to avert the collapse. There is, incidentally, complete refutation of the long-current apology for the "leaders" of our society that "nobody foresaw it." Mr. Brandeis not only foresaw but foretold it, in words that with the barest modification are applicable today:

> There is not one moral, but many, to be drawn from the Decline of the New Haven and the Fall of Mellen. That history offers texts for many sermons. It illustrates the Evils of Monopoly, the Curse of Bigness, the Futility of Lying, and the Pitfalls of Law-Breaking. But perhaps the most impressive lesson that it should teach to investors is the failure of banker-management.

Substitute the Decline of Everything and the Fall of Mitchell, Insull, Lee, Higginson, etc., etc., and the lesson is even more impressive. Mr. Brandeis was writing in the wake of the insurance scandals, of the looting of the railroads, of the findings of the Pujo committee. But since then banker-domination has not only spread into every corner of American life, grasped the utilities, and directed the policy of our national government, but reached abroad and scattered the savings of the American people to the far corners of the globe. Senator George W. Norris's "spider-web chart of Wall Street" shows graphically that the directors of eight large New York banks hold 301 directorships in other banks, 287 directorships in insurance companies, 521 in public utilities, 585 in air, rail, and ship transportation companies, 846 in manufacturing companies. Their total of 3,741 directorships is more than twice as great as that of the fifteen largest banks a generation ago.

The unprecedented expansion of the financial power has been followed by a collapse of unparalleled magnitude. So that we must reread another of Mr. Brandeis's injunctions with allowance for the subsequent extension of the far-flung financial empire:

> . . . the investment banker has, within his legitimate province, acquired control so extensive as to menace the public welfare, even where his business is properly conducted. If the New Freedom [substitute New Deal] is to be attained, every proper means of lessening that power must be availed of.

These Cassandran warnings of a great American have a value far beyond their curious appropriateness. They justify the belief that measures of the kind that seemed hopeful twenty years ago and will doubtless be urged again will once more prove inadequate. The Sherman Law, the interstate-commerce legislation, the Federal Reserve Act—these and other measures enacted to prevent the recurrence of grave abuses and the pillaging of the people have shown themselves to be utterly ineffective. Bank inspection has not prevented the closing of 10,000 banks, with the loss of billions in depositors' money. Anti-trust legislation merely developed hydra-headed monsters. Public-utility regulation has degenerated into a farce. The circumvention of legal restraint becomes increasingly flagrant while corporations grow larger and larger. "Frenzied finance" is still the prevailing type. What Mr. Brandeis referred to twenty years ago as the "vanishing" and "archaic doctrine of *caveat emptor*" has been restored and amplified to *caveat emptor et depositor.*

But to get a satisfactory answer to this overshadowing question, it is necessary to go beyond the confusion created in the minds of laymen—and experts, too—by the current technical discussions of currency, "sound" and otherwise, of inflation, reflation, and deflation, of the value of staying on or tumbling off the gold standard, of the merits and demerits of branch banking. We must examine this temple of our recent worship, the mysteries of which have so long been jealously guarded by the priestcraft of finance, whose failure to exorcise the demons of depression with the usual incantations has bred irreverence and skepticism.

What is the true function of currency, finance, banking? The first currency in primitive society was a convenient substitute for barter. (That the nation has in considerable measure reverted to barter is suggestive of the extent to which the habits of centuries of civilization have lapsed.) The function of tokens—be they ivory tusks, bronze *denarii*, wampum, gold or silver coins, or the more convenient paper bills—is to facilitate the exchange of goods. As our society has become infinitely more complex, and both space and time have extended the cycle of production and consumption, the element of credit has entered. Originated for the purpose of facilitating those two basic functions of the human race—the extraction and elaboration of materials from their natural state, and their ultimate enjoyment by man—the finance system has become an instrument of profit and control. And it obtains that profit by charging a vast variety of tolls for its fancied services under penalty of not permitting the commodities to pass. Here is the modern equivalent of the tithe and tribute of feudal times—collected today by a few hundred

* "Other People's Money—and How the Bankers Use It." By Louis D. Brandeis. New Edition with an Introduction by Norman Hapgood. Frederick A. Stokes Company. $2.

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bank barons and their retainers from a hundred million vassals. A fictitious price system prevents the fulfilment of the most elementary of earth's rhythms—production and consumption. There lies the explanation of that now tritest of contemporary truisms—want amid plenty. The financial system, designed for the supposed purpose of transferring goods from those who create them to those who desire them, has broken down.

Surely there is intelligence enough in our "advanced" civilization to end this form of lunacy. That this can be done without an abolition of the profit system is open to doubt. But we can at least make a beginning by attempting to take away from the financial oligarchy the control and profit of the machinery of exchange of the elements of life. And whether that can be achieved by any steps short of ultimate public ownership of that part of our currency, exchange, and credit system now privately conducted remains to be seen. Certainly the failure of private control has been complete and its rescue by the government was inevitable. But so far our hastily conceived bank legislation, however necessary in the emergency, has achieved nothing fundamental. The bitter lessons of our past should guide us beyond halfway measures.

Preparing for War

WHATEVER may be happening in other lines of industrial activity, the war-materials industry is not suffering from depression. The armaments ring is busier today than it has been for years. Only a few weeks ago the ring provoked a political crisis in Europe, which, but for the weakness of Austria, might have had tragic consequences. This was the so-called Hirtenberg incident, involving an attempt to smuggle 50,000 rifles and several hundred machine-guns from Italy, across Austria, into Hungary. Wholesale bribery and coercion were resorted to in an effort to conceal the shipment. Now it is reported that several cargoes of asphyxiating gases have actually been smuggled into Hungary in this manner. In Rumania, on the other hand, the kept press of the "secret international" has been stirring up violent demonstrations against Hungary, and has persuaded King Carol that he must build up a huge military machine for the sake of his personal security. In Poland the munitions-makers, by playing on the popular fear of Hitlerism in Germany, have induced the government to cut its school budget in order to have more money to spend on war equipment. In England, where even high government officials are financially interested in the manufacture of armaments, the new budget calls for greatly increased military expenditures. And we learn from Hector Bywater, naval expert of the London *Daily Telegraph,* that "Britain intends in the near future to reassert and reestablish herself on the high seas."

No less active have been the friends of the "secret international" on this side. Big-navy propaganda is filling the daily press, and Democratic Congressman, like Chairman Vinson of the House Naval Affairs Committee, are hinting that "President Roosevelt will not oppose a naval-construction program for the gradual building up of the navy."

It is an open secret in Washington that the two wars now being fought in South America are being kept alive solely by the efforts of the munitions-makers. If the steady supply of war materials to Paraguay, Bolivia, Colombia, and Peru were cut off, the hostilities would quickly cease, for these countries have no munitions plants of their own. Happily, the League Council is now drafting a resolution to shut off this stream of munitions. But the League and the United States must act quickly, for the activities of the munitions ring now seem likely to drag Chile, too, into war. Munitions destined for Bolivia have been transported across Chilean territory. Chile has protested that this violates its neutrality, but to no avail, for the munitions interests are lined up solidly behind Bolivia in the dispute. Now the patriots of Chile want to go to war with Bolivia. Nothing could please the munitions-makers more.

The Far East, however, offers the biggest and most profitable field at the moment, and the purveyors of armament and other war materials have overlooked no possibilities in that direction. Although Japan continues to get machine-guns, rifles, shells, bombs, armored cars, and the like from Europe—as is shown by the latest reports of the British and French governments—the Japanese are equipped to produce at home most of the actual implements of war which they will need for the Jehol and North China campaigns. Therefore raw materials have made up the bulk of their purchases abroad. The commercial journal *Business Week* recently reported that Japan had been "accumulating 'war essentials' for months. Included importantly are cotton from the United States, wool from Australia, wheat and lumber from Canada, oil from the Soviets, scrap iron from Great Britain and the United States." The Department of Commerce has stated that while the total volume of American trade with the Far East slumped considerably in 1932, Japan in that year bought from the United States 28 per cent more raw cotton than in 1931, 200 per cent more kerosene oil, 33 per cent more crude petroleum, 16 per cent more lead, and larger quantities of iron and steel. Another commercial periodical, *Steel,* recently said that "the foreign situation as it pertains especially to Japan and China is commanding the attention of steelmakers. American iron and steel exports in January made a sudden spurt to 56,270 tons, largest since last May, and of this amount Japan took 24,662 tons, of which 22,640 tons was scrap." In England the Japanese have recently purchased more than 600,000 tons of old shipping to be broken up for scrap and used, according to the London correspondent of the New York *Evening Post,* "for the manufacture of munitions."

Business Week further stated that "a large delegation of Japanese business men are reported to be in New York now negotiating for hurry-up orders of machine tools, in case the United States (and other nations) decides later to set up an embargo on shipments of arms." Similar delegations on similar missions have been reported active in Chile, where Japan has placed a number of orders for nitrates, and in England, France, Czecho-Slovakia, and Italy.

In whatever direction one looks one finds the purveyors of war materials hard at work. In the Far East, as in South America, they are reaping ridiculously easy profits. Business comes to them with little or no effort on their part. They will continue to enrich themselves by means of mass murder, which they themselves often instigate, so long as the leading Powers lack the courage to suppress their bloodthirsty trade.

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Issues and Men

Congress Votes for a Bill

ABSIT omen! Not since the declaration of war against Germany has the Congress of the United States done anything as amazing as it did on Thursday, March 9, when it voted to make Franklin D. Roosevelt, in financial matters, dictator of the Republic. In some respects this action was even more astounding than the fatal vote of April 2, 1917, to which most of our troubles of today are due, for then at least Congress understood what the immediate issue was. On March 9 the House of Representatives, probably for the first time in its long history, voted for a bill which only one member had seen and held in his hand. The others listened while the clerk read the text. The eight or nine men who rose to speak about the bill spoke briefly, but not briefly enough. The cry of "Vote, vote," went up as soon as some of them concluded. Then, without further ado, the Representatives unanimously approved the bill.

Now, if the bill had been such a simple one that everybody knew just what it meant, such action might have been understood. Suppose it had read:

> WHEREAS, The Congress of the United States has been trying for three and one-half years to legislate prosperity back to the United States, and whereas, it is now scared to death at the imminence of financial and economic disaster and does not care what happens as long as something happens, be it
>
> *Resolved,* First, that the Congress hereby passes the buck to the new President in the belief that his wisdom will be greater and the actions he may take will be wiser than theirs; second, that it hereby abdicates its constitutional functions and responsibilities and turns over the safety and financial security of the Republic to Franklin D. Roosevelt, and may God have mercy on his soul.

If the bill had read thus, it would at least have described accurately the frame of mind of Congress and the action proposed. As it was, no Congressman could have understood in full the contents of the real bill, or its ramifications and implications. All they wanted was to get it off their hands. They were as hysterical as their predecessors of 1917. Then the Congress voted in fear of an aroused and deceived public opinion and of the wrath of President Wilson—many in both houses voted against their consciences and their sound sober sense. Had they not just heard the President denouncing the "twelve wilful men" who had opposed his bill for arming our merchant ships? Were those men not thrown by him to the ravening wolves of the daily press, the hysterical patriots, the financiers who were interested only in saving the vast sums they had lent to the Allies?

As I sat in the Senate throughout Thursday's debate I could not but recall the scene of sixteen years ago. Then, too, men voted aye because they thought there was nothing else to do; the next day the country rose exultant in its belief that war was going to be banished from the world, that democracy was to be made safe everywhere, that the millennium to be achieved by mass murder was at hand. We are witnessing the elation following this setting up of Franklin Roosevelt as financial dictator. Will history still further repeat itself?

In the Senate the scene was as tense and dramatic as such a historic occasion ought to be. Ex-Senators and Representatives stood around the walls of the chamber, which appeared strangely unfamiliar because of the few desks on the Republican side of the house and the great majority on the Democratic side. The galleries were jammed and long queues sought entrance. Senator after Senator rose to his feet to declare that he did not believe in the bill or in making the President dictator, but that he would vote for it because of the national emergency. Senator Connally of Texas declared that never in his life had he expected to vote either in war or in peace to confer such powers upon the Executive as he was now going to do. Senator Vandenberg of Michigan made the most forceful and unanswerable speech against it—and then voted for it. Huey Long really astounded even conservatives, and men as prejudiced against him as I am, by his courage and directness and the ability of his attack, but none the less he voted for the bill.

Indeed, as I looked at the faces of the men on the floor I was struck not only by their deep concern, but by their obvious agreement with the opponents of the bill. There was no doubt that many were wrestling hard with their consciences. All that Carter Glass could say for the measure was that it was the best of those that had been offered to his committee. He could not, or would not, answer Huey Long's charge that this bill would put thousands of State banks out of business. Robert M. La Follette, Jr., repeated history in that, like his father in 1917, he spoke and voted against the bill—a worthy son of a great father. Unfortunately, he, too, felt the pressure of time and spoke too quickly to be as effective as usual. Here are the seven who voted against the bill: Borah, Carey, Dale, La Follette, Nye, Costigan, and Shipstead, with Senator Norbeck paired against it. Borah did not speak. Dale of Vermont is himself a bank president. They may be right or they may be wrong, but they were sincere, honest, and brave, and they saved a little of the reputation of Congress as a calm reasoning body.

All through the debate the Senators were told that there was not a moment to lose, that the bill must be in the hands of the President within a few hours, so that four or five thousand banks could be notified at once that they had the President's permission to reopen on Friday morning. But the banks were not reopened on Friday morning or Saturday morning, and comparatively few on Monday morning. No harm would have been done if the debate had gone on through Friday, and probably much good. The danger is now not that Congress will fail to give the President what he wants, but that it will act too quickly for the best results, and for the safeguarding of our liberties.

Oswald Garrison Villard

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A Socialist Program for Banking

By NORMAN THOMAS

THE editors of *The Nation* do me the honor to ask me: "What would you do about the banking problem if you were sitting in the White House?" No fair or reasonable answer is possible without a preliminary statement. I am concerned with achieving the most rapid and orderly transition possible from a dying capitalism to a Socialist society. Presumably President Roosevelt is concerned with making the capitalist system work as effectively as possible. I should find no joy in trying to do anything in the White House except as the leader of a powerful party bent on establishing a cooperative commonwealth. The Democratic Party has no such purpose. To me the amazing revelations concerning the ill-ordered racket that American banking has become are indicative of the state of our whole capitalist society. I can imagine that, if not President Roosevelt, then some other believer in a better-ordered capitalism might at this juncture want to go even to the length of nationalizing banking. That such a desire could be realized, given the practical and pyschological hold of capitalist finance on our existing order, I have grave doubts. Conceivably, however, the nationalization of banking in a capitalist society might be used for fascist instead of Socialist ends. True socialization of banking can only be achieved hand in hand with the general socialization of natural resources, public utilities, and basic industries. It must be the work of a government consciously dedicated to production for use, not profit, in the interest of the great mass of those whose labor of hand and brain maintains human existence.

In the light of this statement of my essential convictions, it will be seen that I have no particular criticism of President Roosevelt as an individual in this crisis. It is the fundamental philosophy which he shares with the great majority of the American people to which I am opposed. In an emergency he acted promptly to lance an abcess. That process has not cured, because it cannot cure, the deep-seated sickness of the body politic. The cure, I am more convinced than ever, is intelligent socialization. With regard to banking and currency, socialization requires the following things:

A. Some degree of inflation, or rather reflation, is imperative. No currency is sound when a farmer has to pay off his mortgage in from two to five times as many bushels of wheat, or bales of cotton, as when he made it. On the other hand, an uncontrolled inflation will be particularly disastrous to those whose whole security rests in a savings-bank account or insurance policy. It will work havoc on employed wage-earners, whose outrageously deflated wages will never catch up with rising prices. The present inflationary measure is solely for the benefit of a banking system which has all but ruined itself and us. Inflation should be directed to the relief of unemployment by a maintenance allowance and public works. It should be checked if and when the commodity price level crosses the level of 1926-27.

B. The vital question is the control of the banking system. Profits from banking in good times, and for the stronger banks even in bad times, have long been outrageously large. During the boom years they increased, on the average, at the rate of more than 16 per cent a year. What Mr. Mitchell made everybody knows. His neighbor, the First National Bank, was at one time making about $2,000 annually on every $100 of its original capital. Banks made money out of an indefensible system of affiliates, out of the privilege of issuing money, and out of their control of the life-giving stream of credit. How they used this power is known. Yet in the years of the depression they failed at a rate which rose to 10 per cent in one year, and they had in the end to be rescued by desperate measures. Profits are supposed to be the reward of risk. And now that the risks in banking are being transferred to the government, it is more than ever essential that the banks should be owned by the government. The method of procedure should be as follows:

1. The Postal Savings Bank should at once be converted into a general, publicly owned bank, administered not under Mr. Jim Farley but under a federal board. Commercial and thrift accounts should be carefully segregated.

2. All banks which have been or are to be rescued by governmental agencies should become government property, to be liquidated or incorporated in the publicly owned system.

3. States and cities should be allowed, under proper regulation, to open publicly owned banks similar to the successful municipal bank in Birmingham, England.

4. All Federal Reserve banks should be completely managed by public representatives in the public interest. Of course, the publicly owned banks should belong to this system.

5. For the present I think that existing privately owned banks, State or national, which are completely solvent may be allowed to operate, provided that they are completely divorced from their affiliates, and that, under the direction of the Federal Reserve system, they guarantee deposits. The absurd and dangerous chaos of forty-eight different State codes of banking should be ended for all banks.

Finally there should be a National Credit Board to direct the general flow of credit. It must be made forever impossible for a few New York and Chicago investment bankers, for their own hope of extortionate profits, to float Peruvian loans against which their own experts have warned them, or to back the crazy financial schemes of an Insull or a Kreuger. This Credit Board should work in harmony, on the one hand, with the Federal Reserve Board, and on the other, with the National Planning Board which Socialists would set up. It should be observed that a proper control of short-time credit by the Federal Reserve Board and of long-time credit by the Credit Board could and should be used to stimulate and encourage such sound labor policies as the thirty-hour week.

This practical program can be worked out to the vast advantage of America. It will scarcely be adopted, and certainly it will not be intelligently used for social ends, until there is a new birth of purpose and effective organization among the masses, who have everything to gain by taking for society that which has heretofore been wasted and misused by the very nature of a system in which every basic enterprise is managed for the profit of a class of private owners.

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Money: Master or Means?

By LAWRENCE DENNIS

FOR over three years the bankers slowly deflated the credit structure as they and our political leaders continued to predict the early and spontaneous generation of prosperity through finance. (When depositors started deflating the banks, not excepting the Federal Reserve banks, a nation-wide collapse of credit and suspension of the gold standard ensued within a week.) While our leaders preached and practiced deflation, our banks held almost constantly more than half a billion dollars of surplus cash reserves which might have supported ten times as much bank credit. And we held about 40 per cent of the world's gold. With a capacity for an almost unlimited credit expansion to finance industry, our money changers withdrew credit from trade and industry. New investment has, practically speaking, ceased. Financial fuel was piled up while Mr. Hoover and our bankers protected our sacred gold standard and credit from the incendiary match of the inflationist. The grim irony is that no orgy of war inflation ever culminated in a breakdown of credit and money so catastrophic or so idiotic as that which we have suffered at the hands of fanatical deflationists.

The profits resulting from a rapid opening up of new continents by European immigrants and capital constituted a dynamic factor in past recoveries. Another factor was the then uncompleted transition from feudal and agricultural economy to modern industrialism. Today these factors no longer exist. The transition from agriculture to industrialism has turned into a trek back to the soil and peasanthood. There is no more migration of capital or of people, and there is no longer a reason for such migration. There are no more domestic fields for large-scale profit-yielding investment.

To be sure, certain undeveloped lands, like Russia and China, remain unindustrialized, but we are as yet uncertain whether they will be industrialized or whether their industrialization will be effected under capitalism. There may be reasons of which I am ignorant for giving away money to Russians and Chinese instead of to hungry Americans, but there can be no sound reason for capitalistic investment in lands ruled by anarchy or communism. If further creation of capital must be justified by the expectation of a fair return, an indefinite scrapping of productive plants and a steady fall in the standard of living of the people are indicated. They have, in fact, been in course since 1929.

The doctrine of spontaneous revival through new investment has always rested on the fallacious assumption that persons and banks will not indefinitely hoard money. The assumption is contrary to history and theory. Rich princes and merchants for thousands of years did just what the classical economists for a hundred years have said people would not do, and just what millions of Americans are doing at this moment. Hoarders did not seek to obtain the Calvinistic or kosher 6 per cent in investments, for the rather good reason that such investments were not to be found in appreciable quantities before the advent of modern industrialization. We are today reverting to a conduct in respect of wealth which has been normal since the dawn of history. Human history did not begin in 1775 with Adam Smith. Economic behavior patterns are not merely the chronicle of a passing phase of British culture.

The question is not how might banks contribute to recovery, for that we know already, but why they should do it as long as new investment offers no profit. The banks are a transmission system, not dynamos. In their true function they have never been more efficient than in America since the war. Since the creation of the Federal Reserve system by the act of 1913 our banking system has met all demands, including that of suicidal deflation, in deference to a fetish of sound money. Before 1913 we had occasional money panics owing to the inelasticity of our available supply of paper money. These small and recurring panics were correctives which cramped the style of the Insulls and Mitchells of that period and kept the public mindful of the true character of bankers and financial speculation. The Federal Reserve Act of 1913, however, introduced in American banking the era of sweetness and light which ignominiously closed on March 4, 1933. The Federal Reserve system gave us an elastic currency and credit structure which avoided small monetary panics and made banking safe for get-rich-quick bankers until the entire credit system collapsed in one fell loss of public confidence. The Federal Reserve system made it possible for us to conduct a war, a boom, and a depression, each the biggest in history, according to the rules of sound finance. Two eminent exponents of sound finance, Carter Glass and Andrew Mellon, presided over our finances during practically all of this period, and each was pleased with his work. Excesses and follies in finance were made safe and profitable over a maximum period. About 75 per cent of the bank losses sustained since 1914 have been incurred through old-fashioned, honest, short-term commercial loans, mainly to agricultural enterprise. The racketeers, however, flourished. Speculative finance was praised from the White House. Owen D. Young and Charles G. Dawes became household saints.

Then, in 1929, something went wrong and has grown worse ever since. Let the following figures of new capital issues tell the story of how the American people for a time willed prosperity by investing in the expansion of their country, and how in 1929 they willed the depression by deciding to curtail new investment for profit at a moment when money income and profits were highest.

NEW CAPITAL INVESTED IN NEW ISSUES OF CORPORATE, FOREIGN-GOVERNMENT, FARM-LOAN, STATE, AND MUNICIPAL BONDS AND STOCKS OF ALL SORTS. (Figures taken from the *Commercial and Financial Chronicle*.)

Units of $1,000,000

1924	$5,593	1930	$7,023
1925	6,220	1931	3,108
1926	6,344	1932	1,190
1927	7,791	January	
1928	8,114	1932	184
1929	10,183	1933	64

Profits and not welfare motivated this investment. The banks facilitated it. About the middle of 1929 the American people decided that a further increase in the nation's produc-

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tive capital would not be profitable. The decision was probably correct. This decision started the depression. A dictator—king by divine right, communist, or fascist—could have prevented in 1929 the start of the present decline in spending and investment. He could have forced continued investment without regard for profit—for instance, in better homes for the poor or in works of art or utility. He could have kept up production and consumption with regard only for the willingness and capacity of the people to produce.

The decision to curtail new investment was dictated by the prospect of declining profits, the result of the inevitable working of the capitalist system. The decision to spend less was an obvious result of a reduction, toward the middle of 1929, in total wage payments. These two results of the capitalistic system started the depression and forced the bankers to begin a contraction of credit, amounting, as I showed in my previous article, to some $16,000,000,000 in four years. The decline in the circulation of what bank money there is appears to have been no less than the shrinkage in its absolute quantity. The activity of banking accounts, or the circulation of bank money, is best indicated by figures of what are called "debits to individual accounts." From 1925 to 1928 such debits averaged about $50,000,000,000 a month. In 1929 they rose to over $70,000,000,000 a month. In January, 1933, they were running about $25,000,000,000 a month.

At the time of the credit collapse the people had about $15,000,000,000 less money in the banks than in 1929, though they had over $1,000,000,000 more in currency, because of hoarding. People were spending bank money, or drawing checks, at a rate about one-third as fast as in 1928 and 1929. Yet we had as much gold to support credit; there were as many people with as many wants as before; and there was a larger equipment of productive capital with which to supply things on which to spend money. Could bankers have increased investments and loans and thereby have helped us out of the depression? The answer is that bankers cannot finance the building of more factories or renting properties in the face of waning consumption and increasing vacancies in rented properties. Banks cannot give away money to relieve depression. The state, however, can give away money, because the state, unlike the banks, has the power of taxation.

Had the bankers gone temporarily insane, as they not infrequently did, and made large investments and loans contrary to the apparent indications of commercial supply and demand, depositors would have defeated such well-meant efforts to save capitalism. The collapse would have come a little sooner. The state must save capitalism if it can be saved, though it has been the American big-business doctrine that government should keep out of business. In the absence of profitable fields for new investment in a world already glutted with unsalable products, the only way to increase spending is for the state to do so on non-profit-yielding public works, slum clearance, social services—or war. Japan has chosen war and has obtained from it relief which will last as long as the war, or any war substitute which may be developed. To say that the state cannot maintain adequate consumption and activity by state fiat is to assert a historical untruth. This simple exercise in taxation and expenditure has been performed by governments for thousands of years.

State expenditures at first would have to be financed in large part by fiat creations of money, mostly through bank-deposit credit. All money, whether bank money or paper currency, except gold, is really fiat money. It is fiat money because it is created without any other limit than the fiat of state authorization, which prescribes the quantity and conditions of issue. Bankers make 80 per cent of our money by a stroke of the pen setting up a deposit credit and a borrower debt. The government printing-press makes our paper money. There can be no valid standard for determining the future value of currency, bank money, gold, or bonds. The chief reason is that human preferences change in unpredictable ways. When a man speaks of "sound" money, he means money issued not in excess of what he considers enough. More than enough is fiat money. And nearly every believer in sound money has different ideas as to what constitutes enough money and credit at a given time.

Sound money is merely money that maintains or increases its purchasing power. Unsound money is money that declines in purchasing power. The degree of soundness or unsoundness is the extent of appreciation or depreciation. A dollar which soars in value, beyond the reach, first, of the unemployed, secondly, of the state which fails to balance the budget, and, lastly, of the 19,000 banks of the nation which have to close and issue scrip or clearing-house certificates—such a dollar is thoroughly "sound" and thoroughly idiotic. The rise of barter and the substitution of scrip, clearing-house certificates, or other forms of irregular money for regular money mark the final triumph of Mr. Hoover's fight to save the American dollar from the inflationists. The dollar is saved by being made unobtainable.

Sound-money advocates delude themselves with the notion that they have quantitative formulas to regulate the future value of money and credit obligations, much as physicists have formulas for calculating the impact of falling bodies. Many sound-money advocates suppose that money is good, or not fiat money, if it is issued against goods produced or in course of production. Such money, they fail to recognize, may be issued against unsalable goods, such as the twelve million bags of coffee burned last year in Brazil or our surpluses of wheat, cotton, and copper. The banker who creates credit can seldom be sure that goods will be sold at a price to permit repayment of the loan. The truth is that money or credit can never have any other security than that afforded by a right course of future events. And no banker can foretell the future. A sound bond pays the expected return. An unsound bond does not. Most European government bonds were sound before the war and have been unsound since. Watered stock of the United States Steel Corporation was unsound before the war and proved to be a bonanza from 1915 to 1929. And so on.

Money and credit are means of exchange. They are not automatic devices by which property rights, existing values, or prevailing patterns can be perpetuated. In 1933 we have more wealth for use than in 1929 but probably only half as much value in exchange. Much of our wealth has no exchange value because many people have no money to make purchases. Sound-money advocates in 1929 thought it sound to create credit and money to build factories then productive and now idle. Today they denounce the suggestion of creating money or credit to give people better homes or better living conditions. Karl Marx predicted a struggle between bourgeoisie and proletariat. We may have such classes but they do not answer to those names. We are, however, coming to a death struggle between the advocates of sound money

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and the believers in every man's right to work and eat. These arguments appealed to those who had money, and vainly imagined they could get more while millions of others grew poorer. No sound-money argument is valid for a government employee who is thrown out of work to balance the budget and protect government credit. No good deflationist argument exists for a man denied by the exigencies of sound money the right to earn his living. This is not a talking but a fighting matter for the moneyless and hungry.

Security for the working or declining years must be found in steady production, fair distribution, and a responsible, humane state which looks after all. There can be no security for the thrifty or for the worker in a state that allows production to become paralyzed and millions of men to be without work. March 4, 1933, marked the collapse of every sound-money argument. The truth then emerged that even if we grant that a sound dollar comes ahead of welfare and that a sound dollar is the best way to assure welfare, there is no one in America who knows how to maintain a sound dollar in a depression. It is also evident that the recommendations of the devotees of sound money are utterly impossible to carry out.

Most theorists about money think prices can be raised by various types of financial sleight of hand, such as manipulating the central bank interest rate, changing the gold content of the dollar, or coining silver above the market price of silver. It is thought that once the hocus-pocus has raised prices (no proof is offered that it will raise prices) demand will increase, since people will buy on a rising market. The assumption is that the market regulates human behavior and not behavior the market. As for central bank management of anything except the printing-press when the state orders money for a war, the whole story can be written in the one word—failure.

Reducing the gold content of the dollar will increase the purchasing power of those few people who own gold or gold mines. Coining silver above the market rate for the metal would, likewise, help the owners of silver and silver mines. There is $12,000,000,000 worth of gold in the world and we have $4,500,000,000 of it. The world produced $480,000,000 worth of gold in 1932, of which our share was about 10 per cent. As for silver, we have less than $300,000,000 worth of the metal in coins and commercial use. Compare the foregoing sums with $40,000,000,000, our national income in 1932, or with $85,000,000,000, our income in 1929. And remember that over three-fourths of our gold is held by the Reserve banks, which cannot spend gold, however much its value in dollars may be increased by law. It is unreasonable to argue that the Reserve system would lend more if its gold were by law made worth twice as many dollars as at present. Under the pre-March 4 gold parity the Reserve system could have kept lent out twice as much money as it did. The commercial banks could have done the same. Credit was contracted not because of inadequate cash in the tills of commercial banks or insufficient gold in the Reserve banks, but because of insufficient consumptive demand to justify the use of more business credit. Changing the ratio of dollars to the gold buried under the Federal Reserve banks will not put more dollars into people's pockets or bank accounts unless banks choose to create more loans. The only possible stimulus to trade to be expected from a devaluation of the dollar would be an inducement to foreigners to ship more gold to this country to buy goods in a market in which gold—not dollars—had acquired increased purchasing power. But this stimulus would be slight and temporary because (1) we already have 36 per cent of the world's gold, (2) foreigners could not spare much more gold, (3) the total quantity of available gold is small in comparison with the volume of our domestic trade, and (4) foreigners would raise tariffs.

A particularly erroneous idea about devaluating the dollar is that it would help debtors. It would do so only if there were an important rise in commodity prices, such as failed to follow the depreciation of the British pound. The fact is that if a man owes $100 and has only $50, it rarely happens that he has that $50 in gold, which would enable him to pay off the $100 debt with his $50 of gold if $50 of gold were made legal tender for a debt of $100. Devaluating the dollar does not devaluate debts or increase the quantity of the debtor's dollars. Of course, if the government starts spending on a large scale to "recruit labor," as Mr. Roosevelt humanely proposes, fear might render necessary an indefinite suspension of the convertibility of dollars into gold. Therefore, the government, in order to be able to restore convertibility, eventually might make paper dollars convertible into less gold than at present, or, rather, than up to March 6. In this way a devaluation of the dollar in its gold equivalent may seem necessary to penalize gold hoarding and gold exports as well as to encourage the surrender of gold for dollars. The important fact here is that if the dollar should be redefined as containing, say, ten instead of twenty-three grains of gold, such devaluation would be the consequence and not the cause of increased spending and higher prices.

The behavior of money and prices can never be the subject of a theory valid for predicting the future or controlling prices. The future is determined by future decisions of human beings. Certain phenomena of the past, like prices, are measurable by adding machines and their manipulators. The behavior of money and prices can only be one of many corollaries of human behavior—and a minor one at that. Human and monetary behavior is history; and history only teaches that history teaches nothing. If the present collapse of money and credit teaches anything, it is the absurdity of every theory of money, credit, and prices which professes to be more than a historical and philosophical explanation of how and why men reacted as they did to a given past situation which will never be duplicated and probably never closely approximated.

It has never been shown what effect, if any, a change in the general price level has on total demand. It seems indisputable that demand is the chief factor determining price changes, as when war demand creates inflation and higher prices. The criticisms of inflation really apply only to the causes of inflation, which are usually wars. Inflation to develop the American continent is rarely denounced. When inflation to relieve human suffering is denounced, the use of inflation to pay German reparations is cited as a horrible example. Intellectual honesty would direct the criticism at the war which caused the demand for reparations, or at the demand for an impossible performance, rather than at the use of the means of inflation in an attempt to meet the demand.

If falling prices stimulated demand or righted anything, we should not have the present depression and all the banks closed after twelve years of falling prices. If rising prices stimulated demand, we should not have had a depression at the end of a twenty-four-year period of rising prices and the

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sensational price advance of the war period. As for stable prices, they have never existed outside the dreams of persons crazed by too many statistics or too little philosophy. There has been no unsuccessful or other attempt at inflation since 1929. Federal debt has increased by $5,000,000,000, of which about one-fourth was bought by the Federal Reserve banks through an expansion of Federal Reserve credit. At the same time the banks of the country extinguished some $16,000,000,000 of commercial loans and bought nearly $4,000,000,000 of federal bonds. When a bank calls $3 lent to a business man and buys $1 of government debt, the bank is not inflating, however vehemently certain uninformed persons may so term these operations.

Government expenditures have not been increased materially during the depression. Government debt has been incurred by covering half of the ordinary budget by loans instead of taxes and by refunding corporate debts. The reasons for incurring this government debt have been a desire to spare the rich increased taxes and to bail bankers out of bad loans. Not a fourth of Reconstruction Finance Corporation loans has gone to finance new spending. The net result of financial operations since 1929 has been deflation. Spengler foresaw the present impasse when he spoke mystically of the coming conflict between blood and money. Paradoxical and ghastly as it may seem, war creates the necessary will for activity to save a people from the paralyzing effects of sound money. A passion for social welfare might generate a will to spend and consume, if the people had a humane religion as well as a national patriotism. Hitler and Mussolini show leanings toward the war generator. Japan has started it. The state everywhere is able to command. The banks can furnish the money for war, for profits if they are to be had, or for welfare. The people must eventually say which and give the word go. They can, and of course should, declare for welfare. Money is a means to the achievement of man's ends—not his master.

[*This is the second of two articles on banking by Lawrence Dennis. The first was published last week.*]

Travel for a Song

By ARTHUR WARNER

TRAVEL has reached the bargain basement. Like much other merchandise it is to be had for the traditional song—by those who are so fortunate as to have even that. Transatlantic steamship fares have been raised a shade since last spring, but hotel rates and most other expenses abroad are lower, owing to the continuing world depression and, until recently at least, to the larger purchasing power of American money since Great Britain, by slipping from the gold standard, made it possible to buy more pound notes for a given number of our dollars. Largely because of that the Dollar Line (named after its owner, not the fickle goddess of our currency) last winter cut the price of its round-the-world trip by 40 per cent.

What position the dollar will have abroad next summer is anybody's guess, but the considerations in favor of the American traveler growing out of the world depression are not likely to change in the immediate future. The industrial stagnation in the United States is of less than four years' standing—even if it does seem longer—but there have been hard times in many of the countries of Europe, and everywhere at sea, since the end of the World War. Yet in spite of more ships than cargoes, the intense post-war rivalries have led to expensive government-subsidized building programs, and rates have had to be slashed in an effort to create new business.

The Canadian National Steamships were led lately to offer a 10 per cent reduction to bridal couples to Bermuda and the West Indies. Information is lacking as to what extent marriage certificates were required or of how recent date they had to be. The owners of the world's two fastest steamships have advertised what must be the record short tour abroad. They offer to take the traveler to Europe and back in two weeks, tourist class, giving him four or more days in London and Paris, for $192. The record for cheapness is perhaps achieved by a travel agency which lately announced some "economy tours" by third class, including a nineteen-day trip with three or four days in Paris for $159. A line of vessels, mainly cargo carriers but having room for a few passengers, has advertised a round trip from New York to Havre or Antwerp for $145.

Anyhow it all reads well, and may perhaps be enjoyed vicariously by many who would be unable to go even if costs were reduced by 99 per cent. Travel is like wheat and shoes and copper in that it is cheap because there are more who need to sell than there are who are able to buy. But for those who *are* able to buy—there must be some still—there are unusual opportunities for pleasure and education.

In what follows only foreign travel will be considered, and chiefly that to Europe, as getting about in the United States is relatively easy. Besides, for the average American Europe yields a greater return to the square mile than any other part of the world, while owing to low cost of living and comparative accessibility it is the region toward which the person with small funds naturally turns.

Although this is a year of exceptional opportunities, even more than usual it is well to keep in mind the legal maxim "Caveat emptor," or, rendered into Americanese, "Watch your step!" The wise traveler nowadays makes full use of travel agencies and tourist bureaus in his locality. In that way he obtains much information in one place that otherwise would have to be assembled piecemeal, and since the travel agent gets his pay in commissions, the cost is no higher. This is equally true whether a person wants to participate in a conducted tour, to have an individual trip arranged for himself or a party, or merely to buy transportation or get hotel reservations.

It is a common practice in advertising travel facilities to quote only minimum prices. Often accommodations so advertised are few in number and speedily snapped up, or else highly undesirable. Sunday newspapers in New York contained an advertisement not long ago of a cruise to Quebec and back for $60. By 9.30 a. m. on Monday there were no

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accommodations left for less than $125. The irritations due to advertising minimum fares have led some organizers of cruises to fix a flat price with "no ups," giving the first comers their pick of accommodations. Generally, although not always, tours are arranged at a single price, but there are differences in regard to what is included. It may be interjected here that in tourist-bureau parlance a cruise is a trip on which one lives most or all of the time aboard ship, while a tour embraces considerable travel on land.

Whether a person joins a tour or arranges his own depends upon taste, temperament, and experience as a traveler. In Russia a tour is for most persons the only practical method. Some of the curse of the old-fashioned tour has been removed in recent years by the selection of more intelligent leaders, by a better grouping of parties, and by less hackneyed programs, but anyone contemplating a trip in that way will do well to study it with regard to a number of considerations besides the obvious ones of cost, time required, and region covered. First of all, what is the traveler's own purpose and does that of the tour correspond to it? Is the traveler seeking rest or excitement, education or amusement? Does he want to do general sightseeing or has he special interests? Then there is the question of speed. Many tours cover too much ground in the time allotted. The prospective traveler realizes too seldom that this is a disadvantage. Especially if it is the first trip, or the traveler surmises it may be the only one, he is ambitious to do as much as he can, regardless of the possibility that he will return bewildered and maybe tired. Finally, who and of what caliber is the leader? Will he accompany the tour all the way, or will the party be passed about from one courier to another after arrival in Europe?

There are many excellent commercial tourist bureaus capable of serving travelers effectively, as well as a few which go on the principle of "catching them once." In addition there are several non-profit organizations engaged in arranging tours abroad, especially for persons who have considerable time to spend and with whom study or some special interest is an uppermost consideration. Of the many excellent commercial tourist agencies it is impossible to speak in detail, but a word will be said about four non-profit organizations: the Open Road, the Bureau of University Travel, the Pocono Study Tours, and the Committee for Cultural Relations with Latin America.

In the summer of 1925 three young men recently students in Harvard University were fired with a desire to bring Europeans and Americans together on a personal, unofficial basis. They were George D. Pratt, Jr., patron of liberal causes; John Rothschild, one-time secretary of the National Student Forum; and Gerhart F. Jentsch, who was the first German to register as a student at Harvard after the World War. Thus there arose on this side of the water the Open Road, with Mr. Rothschild as director, and in Europe the International Student Hospitality Association, no longer limited to serving students, with Mr. Jentsch at its head. The Open Road, with offices at 56 West Forty-fifth Street, New York, feels that one great value of travel is in meeting as friends people of the country to which one goes. It takes parties of students and others to Europe, where with the aid of the International Student Hospitality Association they meet with fellow-minds and take home some understanding of the human values of Europe, as well as recollections of cathedrals, museums, and night clubs.

In line with its purposes the Open Road limits its parties to about ten persons and arranges its groups as far as possible according to the ages and special interests of members. The policy is to have Americans and authorities as the leaders. They accompany their groups all the way from America and back, although assisted in each country visited by a guide from it, chosen not from the ranks of professional couriers but from a background likely to make him sympathetic to the party. The Open Road generally avoids hotels for Americans, patronizing those catering to the people of the country. It believes that group travel rightly organized does not mean cramping routine but participation in events which cannot ordinarily be arranged for an individual.

Since 1927 the Open Road has been taking parties to Russia. Working in collaboration with Intourist, the official Russian travel agency, the Open Road has acquired a reputation for signal success in enabling its groups to see what is going on in the Soviet Union. For the fourth consecutive summer it is arranging under the sponsorship of the League for Industrial Democracy a two months' tour for the study of socialism, fascism, and capitalism in Europe, including Russia. Another event is a summer school in French studies at Grenoble. For those willing to travel third class a six weeks' course has been announced at a cost of $390.

"If we amuse you less than some, we shall interest you more. Pleasure comes not so much from seeing as from understanding. The mere sightseer is quickly bored." These sentences from the booklet of the Bureau of University Travel suggest the aims of that old-established organization of high reputation. While the Open Road stresses the opportunities it gives by bringing Americans into contact with people of the countries visited, the Bureau of University Travel emphasizes the distinction of its group leaders. It does not make use of local guides in Europe. Standing somewhat in the position of a faculty toward a student, it promises university specialists who will give "not information but interpretation." The organization believes that unless one has at his disposal at least five weeks, a trip to Europe is not worth while. Its briefest tour requires thirty-seven days, but this can be taken for as little as $380 if one is willing to travel third class at sea.

The Bureau of University Travel has arranged a Russian seminar for the first time this summer. Sailing on June 28, the party will be back, according to the plan, by September 8. Although there will be lectures before, during, and after the visit to Russia, "there will be no propaganda, no attempt to establish a preconceived theory." Besides the Russian seminar and numerous trips to other parts of Europe, the Bureau of University Travel announces a tour to the Orient and one to Mexico. The organization is chartered as an educational institution under the laws of Massachusetts. Its headquarters are in Newton, Massachusetts. H. H. Powers is the director.

More than 200 Americans gathered last summer in the little Alpine village of Oetz-in-Tyrol for the informal education made possible by the American Peoples College at the foot of Ocherkogel peak. The people's-college idea originated in the past century in the mind of N. F. S. Grundtvig at a time when Denmark, exhausted by the Napoleonic wars, was bankrupt economically and spiritually. That 60 per cent of the country's young men and women have since attended a people's college is by some persons thought to be

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the reason for Denmark's present enviable situation. The people's college is designed primarily for those who have not had the opportunity of university education, though it is not limited to them. For five years an American Peoples College was maintained at Pocono, Pennsylvania, but in 1931 it was transferred to Oetz because of the desire of so many of the students to study and travel abroad.

There are no grades and no diplomas at the American Peoples College in Europe, although those to whom credits in American institutions are important can commonly arrange to obtain them. No entrance examinations are demanded, but prospective students must show evidence of likelihood to profit by the work before they are accepted. The teaching staff consists of both Americans and Europeans, and a considerable amount of travel, as well as study, is arranged for. Courses of study are provided for varying periods of time and at various seasons of the year. The longest course is fifteen months and the shortest seven-and-a-half weeks. The cost of the latter has been set at $344 including transportation. Arrangements in this country are in charge of the Pocono Study Tours, 55 West Forty-second Street, New York, S. A. Mathiasen, director.

Mexico! Although just across our southwestern border, it is known to nothing like the number of our citizens who are familiar with the cathedrals of York and of Cologne, the galleries of the Vatican and the Louvre, the cafes of Unter den Linden and the boulevard des Italiens. Yet every year it is drawing more visitors who are animated by a desire to know of its archaeology and art, its economic experiments and social life with values so different from our own. In order to crystallize this interest in a fashion which will develop a friendly understanding between Mexicans and citizens of the United States, the Committee on Cultural Relations with Latin America is planning its eighth Mexican seminar from July 8 to 28. The committee does not limit its activities to Mexico, but the coming seminar is to be the chief event of the summer and probably an important agency in the organization's aim to create "informed and concerned public opinion in the United States in regard to the life of the Latin American peoples."

A distinguished group of leaders from Mexico and the United States will participate in the seminar, the first half of which will be conducted in Cuernavaca and the rest in Mexico City. There will be lectures and conferences, field trips and social functions. Nobody need be repelled for fear of hot weather. A large part of Mexico is high land, and the climate of the capital is similar to that of New York City in spring or autumn. It is expected that for those wishing to keep expenses at the minimum the trip may be made by water from New York and back for $335. Details in regard to the seminar may be obtained from Hubert C. Herring, its director, 112 East Nineteenth Street, New York.

[*This is the first of several articles on phases of travel and life in foreign countries, designed to give practical information to persons of moderate means and liberal interests. The next in the series will appear in the issue of March 29.*]

Ring Lardner and the Triangle of Hate

By CLIFTON FADIMAN

THERE is a story about a famous orchestra conductor who during rehearsals noticed that the countenance of one of his best first violinists was overcast by a peculiarly woebegone and dissatisfied expression. For some time the musician refused to offer any explanation. Finally, after much urging, he owned up: "Well, maestro, I'll tell you how it is: I just don't like music."

The special force of Ring Lardner's work springs from a single fact: he just doesn't like people. Except Swift, no writer has gone farther on hatred alone. I believe he hates himself; more certainly he hates his characters; and most clearly of all, his characters hate each other. Out of this integral-triune repulsion is born his icy satiric power.

There is no mitigating soft streak in him as there is in the half-affectionate portraiture of Sinclair Lewis; and none of the amused tory complacency of H. L. Mencken. He can be utterly savage with his "puppets" because he is merciless with himself; his rage, a double-pointed sword, turns inward and outward at the same time. Ring Lardner has spent his life in the company of commercial ball-players, prize fighters, Great White Highwaymen, song-writers, wealthy Long Islanders, and upper-class players of bridge and golf. He hates and despises this unsavory assortment of Americans. Yet he has elected to remain in and of these worlds perhaps because any other American milieu seems equally contemptible to him. There is, he would aver, little choice in a democracy of baseness. But he is honest enough to realize that his associates are at best a *pis aller* from which he can take no unction to his soul. He has found nothing whatsoever in American life to which to cling. Other writers who reveal this masochist pattern in a less pure form are George S. Kaufman and F. Scott Fitzgerald. But neither of these is cursed with Lardner's intuitive knowledge of the great American swine, a razor-keen knowledge which he uses as an instrument of self-torture. Like all puritans of stature he is self-accusatory. Despite his apparent objectivity, the blackness of American middle-class life (he never deals with workers and only occasionally with petty clerks) has entered into his own soul. Read beneath the lines and you will see that everything he meets or touches drives him into a cold frenzy, leaving him without faith, hope, or charity.

His burlesque autobiography, "The Story of a Wonder Man," outwardly in the Frank Sullivan–S. J. Perelman–Donald Ogden Stewart tradition of cuckoo hilarity, is really a savage, if not particularly interesting, piece of self-exposure. It is far less funny than the dada it kids. Its jokes and puns are purposely bad. Lardner throws in the reader's face his own scorn of himself as a popular humorist. Though he goes through all the motions it is clear that he is not having a good time. Toward all his work, even at its best, he preserves an attitude of bitter-comic mockery. He cannot publish "The Love Nest" without adding a burlesque preface and inventing Sarah E. Spooldripper for the purpose of ironical self-castigation:

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It is hoped that a careful reading of the stories collected in this book will dispel the general illusion that in his later years Ring Lardner was just a tiresome old man induced by financial calamity and a fondness for narcotics to harp constantly on the futility of life on a branch line of the Long Island Railway.

Since 1927 there has been nothing new from his pen except "June Moon," written in collaboration with George S. Kaufman, and a few baseball yarns which have been recently collected under the title "Lose with a Smile." These latter are formula stories repeating efficiently enough his more mechanical humorous effects and clearly written to keep the pot a-boiling. What has happened to the genius which created Haircut and Honeymoon and My Roomie? Has it devoured itself, like the genius of Dean Swift? It is difficult to spend even a few years of one's life with the bridge-players of Great Neck without feeling the after-effects. Subhuman associations of this kind may produce the fussy inanity of Hergesheimer, or the smooth compromise of F. Scott Fitzgerald—or the silence of Ring Lardner.

Run over in your mind the stories he has written. Can you remember half a dozen sympathetic characters? Maxie, in "June Moon," a decent fellow, stands out sharply amid a company of conceited saps, quarrelsome, decaying husbands, and nagging, mercenary wives. The late William Bolitho divided Lardner's population into fools and swine. It is a fair summary. Somewhere Lardner refers to "this special police dog" which "was like the most of them and hated everybody." Lardner himself is the police dog of American fiction, except that his hatred is not the product of mere crabbedness but of an eye that sees too deep for comfort. As a whole his work is devoted to tearing down the stucco façade of certain familiar American types. He has a uniform method of attack. He takes some recognized national trait which is ordinarily treated with good-natured humor and reduces it to its basic viciousness. Thus Pullman-washroom sociability is revealed as vulgar garrulity which in turn conceals brutal egotism (Sun Cured). Simple boy-and-girl calf love is shown to have its roots in colossal selfishness (Some Like Them Cold). The practical joker, that standby of amiable American humor, turns out to be vicious, cruel, and heartless (Haircut, The Maysville Minstrel). The wife who is proud of her husband's achievements betrays herself as an insufferable and witless bore (Who Dealt?).

Lardner's subtlest story is without doubt The Golden Honeymoon. When this was first published most readers thought it very touching, even a trifle sentimental—this account of an old couple's wedding-anniversary trip to Florida, their little quarrels, their small-town complacencies, their petty satisfactions. Actually it is one of the most smashing indictments of a "happy marriage" ever written, composed with a fury so gelid as to hide completely the bitter passion seething beneath every line. Under the level of homey sentiment lies a terrific contempt for this quarrelsome, vain, literal old couple who for fifty years have disliked life and each other without ever having had the courage or the imagination to face the reality of their own meanness.

What Lardner, even in his simplest magazine stories, is interested in getting at is the core of egotism from which even our apparently most impeccable virtues spring. The lavish open-house hospitality which members of the American upper strata are supposed to extend to each other is analyzed and found to conceal nosiness, lack of imagination, possessiveness, and, if you go deep enough, actual antagonism (Liberty Hall, Mr. and Mrs. Fixit).

Lardner's best-natured stories deal with saps and boneheads such as the classic Keefe of "You Know Me Al" and the Warner of "Lose with a Smile." These stories convey simultaneously two different impressions, one for the *Saturday Evening Post* reader and one for the civilized reader. The *Post* reader gets his laugh out of his sense of superiority —very slight—to the bushers and prize fighters whose asininity Lardner cleverly shows up. But behind this asininity lurk a conceit, a selfishness, a brutality which the more sophisticated reader easily perceives; and as he perceives it he is bound to realize that the Ring Lardner who is apparently writing funny stories for the amusement of yokels is really drawing up an indictment of large areas of American society.

The baser part of the soul of a class or nation is frequently revealed in the sports to which it is addicted. Thus most, if not all, of the vices of the British aristocracy are symbolized in the fox murder; the sadism of Spain finds perfect expression in Mr. Hemingway's beloved bullfights. What are the great American middle-class (and particularly upper middle-class) sports? Two dominate: golf and bridge. For a pair of farcical golf stories which hide in their hearts a scathing exposure of the moral bankruptcy of the millionaire sportsman I refer the reader to A Caddy's Diary and Mr. Frisbie. But contract bridge was invented by a malevolent deity for the special employment of Lardner's most vitriolic pen. Everything he most detests he finds focused in this typical American pastime: stupidity, meanness, avariciousness, false gentility, sex antagonism, bullying, deception, quarrelsomeness, inanity, brutality, humorless solemnity about trifles, bad temper, and disguised commercialism. Here in this "game"—exploited and manipulated by the twin elements of American aristocracy and international crookdom—Lardner finds a heaven for his satire. He who wishes to understand the psychological base which makes it possible for bridge to become a great American racket, and for "experts" to wear dinner clothes when they would look much more at home dressed in bullet-proof vests, should devote his days and nights to the study of Lardner's Contract.

His attitude toward the more democratic sports—boxing, baseball—is equally realistic. He is absolutely never taken in by them. While his baseball stories are full of the game's color and humor, he never allows this element of the picturesque to becloud his essentially cynical viewpoint. It is interesting here to compare his press-bench eye with Hemingway's boy-scout-and-red-Indian whoopdoodle. Hemingway sees sport as a human value, founded on the pleasures of the body but flowering in all kinds of instinctive-emotional satisfactions. Even when he sees through the venality of modern commercialized sport (as in My Old Man and Fifty Grand) he is spellbound by its romance, its terror, its brutality, and its sentiment. He presents a semi-philosophical apology for sport, as do the tory fox-murderer and the fanatical cricketer. But Lardner, with much the same technical training as Hemingway, sees American sport preeminently as a focal point drawing together bonehead and sharper. For entertainment purposes he chooses to devote most of his attention to the bonehead ("You Know Me Al"). But when he elects to attack a professionalized sport without any loves on, we

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get a brutal masterpiece (Champion). The direct, vicious hatred which animates Champion is far removed from the reined-in fascination underlying a fight yarn like Fifty Grand. The two stories are equally effective, but one feels that Lardner is far closer to the facts of American sport than is Hemingway. He does not inject himself into the story; he has his eye coldly fixed on the object, whereas Hemingway, despite his lean pared style, is fundamentally lyrical. Even in the comparatively good-natured "You Know Me Al" series one can feel Lardner's hatred of his conceited, slow-witted, heartless busher.

His gift of mimicry, his astonishing phonographic reproduction of our flat democratic speech, has been highly praised, but possibly for the wrong reasons. It is not admirable merely because it is accurate—and humorously accurate—but because he uses it as a prime means of showing up, without comment, the fuzzy, flat, miserable mind of the American boob. Sinclair Lewis has the same reportorial ability, but frequently he records conversation just out of excessive gusto, because it amuses him. Lardner never wastes a word; each twisted idiom, each horrible neologism, is a stab, an expression of his fascinated hatred.

To see how implemental, how purposive is his style it is only necessary to note the twist he lends to our traditional humor of exaggeration. When Mark Twain exaggerates, it is to procure an effect of comic absurdity; but when Lardner says, "He give her a look that you could pour on a waffle," the mad metaphor has the power to fill us with an instantaneous horror of all sentimental affection. Even a line like "French trains run like they was on pogo sticks" conceals an undercurrent of exacerbation. He manipulates a whole repertoire of purely American humor-forms—notably the wisecrack, the "raspberry," slang, the calculatedly odorous pun—to gain satiric effects which can only be described as Swiftian. Here, for instance, is a sentence or two of superficially conventional parody:

> "Carmen" ain't no regular musical show where a couple o' Yids comes out and pulls a few lines o' dialogue and then a girl and a he-flirt sings a song that ain't got nothin' to do with it. "Carmen's" a regular play, only instead o' them sayin' the lines, they sing them, and in for'n languages so's the actors can pick up some loose change offen the sale o' the liberettos.

This deceptively simple speech punctures opera and American popular entertainment at the same time that it casually rips the cover off the cheap mind of the speaker.

The third angle of the triangle of hate which is Lardner is the hatred all his characters feel for each other. Lardner's world is a world of eternal soreheads and kickers. His country is Moronica, a land in a never-ending state of civil war. Whatever humor his people extract from the contemplation of each other is the humor of denigration. Any two Lardner characters, when they get together, are bound to quarrel about something; they are hedgehogs, always gregarious and always hurting each other with their quills. When the Lardnerian American tours Europe (The Other Side) it is with a chip on each shoulder, an attitude of mean truculence, a determination not to enjoy himself which far transcends the simple inverted snobbery of Mark Twain's innocents abroad. So omnipresent in his work is this soreheadedness, this constant irritation, this nervous mutual belittling that I believe it to be Lardner's central feeling about our social life. He is the epic recorder of the Great American Bicker.

This appears most clearly in his treatment of women and marriage. It is understandable why women cannot read him with any enjoyment—he makes them too uncomfortable. If his men are mainly niggling pewts garrulously trying to impress the world with their non-existent virtues, his women are mainly gold-diggers of the most predatory type, barren of all glamor, charm, humor, or sexual attractiveness. In story after story he strips American bourgeois marriage of every last one of its pretensions, revealing it as a shell filled with hypocrisy, selfishness, henpecking, and constant antagonism between husband and wife, held together within a quivering circle of mutual repulsion. While he has little respect for wives—and in this regard alone departs from the realistic comic-strip conception of American marriage—he has less for husbands, whom he conceives as a crew of weak suckers, existing only to be exploited by their stronger halves. There is a single line in "June Moon" in which Lardner has crystallized everything he feels about American marriage. A husband is being addressed. "Lucile (*the eternal wife*): 'Everybody makes money but you.'" The stage direction tells all. Passion, sentiment, generosity, sympathy, and humor are barred, leaving the four components of comic-strip marital comedy: contentiousness, henpecking, gold-digging, and that peculiar, hopeless dry irony of the American male which (in both Lardner and Maurice Ketten) is his only defense against the onslaughts of the female.

In The Big Town a husband-hunter has become enamored of an aviator. While endeavoring to demonstrate his invention before a group of entrepreneurs who he expects will enrich him, his plane falls and he is killed. Does the girl go into a coma at the loss of her lover? "No," said Ella. "Sis is taking it pretty calm. She's sensible. She says if that could of happened, why the invention couldn't of been no good after all. And the Williamses wouldn't of give him a plugged dime for it."

In the face of Lardner's perfectly clear simon-pure, deliberate misanthropy it is a little difficult to understand how readers could ever have welcomed him as a popular humorist. The world he shows us—and it is one in which we feel not the slightest exaggeration or lack of balance—is a world of mental sadists, four-flushers, intolerable gossipers, meal-ticket females, interfering morons, brainless flirts, liars, brutes, spiteful snobs, vulgar climbers, dishonest jockeys, selfish children, dipsomaniacal chorus girls, senile chatterers, idiotically complacent husbands, mean arrivistes, drunks, snoopers, poseurs, and bridge-players. Funny? If these people are funny, so is "Gulliver's Travels."

In his apparently burlesque introduction to "June Moon" Ring Lardner has condensed his confession of faith and his last word on the values of American society as at present organized:

> It is estimated that if the horse vehicles and street cars had kept on fighting and maintained their early leadership over automobiles, by the year 1970 the entire population of New York City would have been wiped out and no harm done. The "World Almanac," from which this information was gleaned, gives us only one ray of hope. In New York's biggest borough, Brooklyn, there were a thousand fewer births and thirteen hundred more deaths in 1928 than in 1927.

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In Defense of Hoarding

MY DEAR MR. WOODIN: I hope I won't bore you if I begin with a bit of my personal history. I used to be, Mr. Woodin, what is called a patriot. I believed whatever the big people told me. They used to quote J. P. Morgan to me: "The man who sells the United States short will go broke." I'll admit that that argument sounded pretty unanswerable. This was a great country, and it would always go in one direction, which was up. So I put my savings into some securities—not fly-by-night stuff, Mr. Woodin, but first-class securities, because I was told that was the thing to do. Some people said that the safest and soundest things were bank stocks, others said public-utility bonds. So I bought some bonds in the largest public utility there was, Mr. Insull's, and some stock in the two largest national banks there were, the Chase and the National City. Sitting pretty, I thought. Well, you can guess what happened to me, Mr. Woodin. My friends just gave me the laugh. "What," said one of them to me, "you bought National City stock in 1929 at over 500, when it wasn't yielding 1 per cent, and expected it to stay there? You're a fool, George. I got out at 540." I forgot to add, Mr. Woodin, that I deposited my money in the Bank of United States. That name sounded so solid! After it closed, my friends were all amazed that I hadn't known to begin with that the bank was being run by a gang of sharks. I suppose I'm a simple-minded fellow, Mr. Woodin. I thought it was the business of bank examiners to look into such matters, and I took it for granted that they had, and that everything was all right. Some people told me that they saw the whole thing coming, and took out their money the week before. Everybody agreed that these people knew what was what. They weren't fools like me.

Well, when the Michigan bank holiday came along I got to thinking. I don't claim to be a smart man, Mr. Woodin; certainly I don't set myself up against all these smart governors, but I began to be puzzled. The governors said they were shutting the banks to protect the depositors. You protect the depositor by not letting him draw out his deposit. *That* puzzled me. And I thought to myself: If I lived in Michigan, the first thing I would do when the banks opened in eight days would be to go down to my bank and get my money out. I like to have my money on hand when I need it. Besides, everybody else will act the same way, so perhaps I ought to act first. That seems to be the thing to do. Well, then came bank holidays in twenty or more other States, and I said to myself: Listen here, George, your own State is going to declare a holiday next. The Governor, of course, gave absolute assurances that nothing of the kind was contemplated, but then, I had listened to Mr. Hoover's assurances for four years: "The country is fundamentally sound—recovery in sixty days sure—everything depends on confidence . . ." You know. Well, my confidence in the past had cost me a lot of money. Confidence comes high.

So, Mr. Woodin, I took out of the bank enough money to tide me over any little period of difficulty. Wasn't that the thing to do? I had been reading editorials denouncing the people who put their money into speculative things in 1929. They deserved to lose, I was told. They ought to have put it in safe things. They ought not to take risks. That sounded sensible, so, as I say, I took the money out of the bank. When I had it in my hands, I looked at it. The bills said: "Redeemable in gold on demand . . . at any Federal Reserve Bank." That's fine, I said to myself; that's Uncle Sam's own promise, his pledged word. Not Ponzi's, not Insull's, not Mitchell's, but Uncle Sam's. This is *one* promise that will be kept. Besides, Mr. Mills says hard money's the thing. So I'll get hard money. I took my money around to the Federal Reserve Bank, got a few hundred dollars in gold for it, and put it in a safe.

The next day all the banks of the country closed down, and the government stopped keeping its promise about the gold. I was terribly upset by the whole situation, Mr. Woodin, but I must admit that I was just a little bit proud of myself. I had protected my savings. For once I had acted in time. I told a few friends about it, and nearly all of them said: "Gee, I wish I had done that. Why didn't you tell me?"

But what happens, Mr. Woodin? I suddenly find myself denounced in newspapers and by people in Washington as a hoarder, and a hoarder, apparently, is considered to be a great deal worse than a burglar. A new law is passed which makes anybody holding gold liable to a $10,000 fine, or ten years in jail, or both (which is certainly worse than most burglars get); and in addition, if the gold is found, you can be fined up to twice the amount of the gold. I was made to feel that I was a terrible criminal, and of course I am turning the gold back. But, Mr. Woodin, what did I do wrong? As far as I can make out, my crime was that I seriously believed in the government's promises, as printed on its bills, and acted on them. And the government gives me the money, and then turns around immediately and tells me that it will put me in jail for ten years and take twice as much away from me unless I give it back! And it stops keeping its promise to everybody else.

I asked my friend Charlie about this. Charlie is very cynical; he is an expert in these matters. "Charlie," I said, "does the government really need this gold so much that it has to put me in jail to get it?" "Well," said Charlie, "the statement of the Federal Reserve banks as of March 8—that is, after the banks closed down and the gold run was stopped—showed that the reserve banks held $2,684,000,000 gold compared with $2,959,000,000 gold in the same week last year. That's a loss of only $275,000,000 gold, or about 9 per cent. I understand that of the $226,000,000 pulled out in the last week, $116,000,000 went to foreigners; so if the government gets all the gold back that was pulled out in that week, it will only increase its supply by about 5 per cent. I don't think that will make much difference. You see, George, when anything like this happens, somebody has to be made the goat. The gold hoarder is the goat." "But, Charlie," I said, "what about these people who pulled their money out of the banks? I'm told that that was terribly unpatriotic, because if everybody tried to pull his money out, the banks would have to shut up." "Well," said Charlie, "if everybody tried to go to the same theater in one night it wouldn't hold them; if

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everybody tried to use the subway at one time, they just couldn't ride; if everybody tried to telephone at the same minute, the service would break down. But if you were one of those persons, that wouldn't mean that you as an individual would be a criminal, would it?" "But, Charlie," I said, "if everybody runs for the theater exit when someone calls fire, nobody gets out, does he?" "Well," said Charlie, "what they're doing is to threaten ten years in jail for those who ran for the exit. Why don't they get after the fellows who started the fire? Nobody is suggesting that Mr. Mitchell be put in jail for undermining confidence. They simply want to jail the people who lost the confidence. Nobody is saying anything against the Governor of Michigan. And anyway, George, you acted strictly according to the rules of the profit system. The profit system rewards and praises the man who gets there first—who buys before everybody else buys, or sells before everybody else sells; who gets in first and gets out first." "Charlie," I said, "that's not patriotic language." "George," he said, "did the people who left their money in the 5,000 banks that have failed since the depression began leave it there because they were patriots, or because they didn't know any better? As I see it, when the people at Washington say patriot they mean sucker."

Won't you please tell me, Mr. Woodin, what I should reply to Charlie?

GEORGE J. HOARDER

In the Driftway

THE Drifter has lived enough in the country to know that urbanites are commonly guilty of two errors of thought, and that both of them have to do with the weather. The first is that there are four seasons—that is, that fall follows at the close of summer; that winter is recognizably different from fall; and most erroneous of all, that at the termination of a sound winter sleep the buds and birds, not to mention the bees and flowers, toss off their winter coverlets, open their hibernative eyes, and deck themselves for summer. It is true that there seems to be an incontestable difference in the appearance of nature—at least in the temperate zones—between, say, the Fourth of July and New Year's Day. But if the Drifter knows the cautious countrymen who have been his neighbors, that is about as far as they would want to be quoted on the subject. A careful observer walking in the woods and fields in January finds green leaves under the snow, round, shiny new buds on every branch, new grass shoots under brown stubble, and the celebrated smell of spring that drives poetical city-dwellers into raptures every April quite definitely in the air. Unpoetically enough, it seems to be the smell of last year's rotting leaves, but one may like it for all that. There is no moment when the trumpets of spring herald an awakening year. Flies and wasps at any ray of the sun, whether in January or June, begin to crawl around and even to fly. There are even leaves on a good many trees—the oaks and beeches cling faithfully to theirs until new buds push them off; the willows burn bright yellow from fall to the time of opening leaves again. One is impressed in winter in the country by the continuity of nature, not by its careful husbanding of resources with which to begin a new year.

THE second city error is the belief that country people are universally occupied with the weather. It is, surprisingly enough, in the city that the weather becomes an all-important phenomenon. Is it raining? Then we must wear rubbers. Is it blowing? What a dusty, paper-ridden street! Is it snowing? Snow for the city assumes Economic Importance. It provides work for the unemployed; it must never be allowed to interfere with the life of the city. Everybody thinks about it, from the mayor—or his Man Friday—to the lowest man on the street. In the country one takes the weather as it comes. A little snow, a little wind, a little rain, a little sun. One wears in general the same clothes, except that the top layer comes off with a rising temperature. There are, in the country, not seasons or weathers but times. Time to pick apples; time to make cider; time to cut ice; time to collect maple sap; time to pick the first spring greens out of the lush, thawing meadows. And these are all good times, properly taking their turn, received with due respect but not any perceptible elation. It is not too much to say that the only persons with whom country people discuss the weather are city folks. "Is it cold enough for you?" they ask. Or "We're going to get that blizzard soon!" Their conversation among themselves is likely to be about the distressingly low price of milk, or how the hard cider is keeping.

THE DRIFTER

Correspondence

Poison for Profit

TO THE EDITORS OF THE NATION:

I was much interested in the article, Poison for Profit, which you printed a few weeks ago, because of experiences that I had with a large drug and biological firm in Detroit. A few years ago, while in its employ as a bacteriologist, I was ordered by a foreman to use four or five gallons of putrid cow blood in preparation of a human biological product known as hemostatic serum. One lot of the finished product failed to pass the activity test but the rest apparently was sold on the market as a good sound product. A report of this matter is on file at the United States Department of Health at Washington.

Detroit, February 17 ALBERT W. HAINES

Critical Irresponsibility

TO THE EDITORS OF THE NATION:

It is probable that not only defenders of proletarian literature but also defenders of the principles of serious and dispassionate criticism will take issue with Edward Dahlberg's summary execution of most of his fellow-writers of proletarian fiction in *The Nation* of March 8. Protest against the conclusions of Mr. Dahlberg's review is justified, but I think it will be unnecessary when it is understood that Mr. Dahlberg has, with obvious disingenuousness, completely perverted the intent of the passage he cites from John Dos Passos. Mr. Dos Passos very obviously intended the cited passages to be the ironical description of the discreditable artistic philosophy of thoughtless and second-rate novelists. Furthermore, in a passage not many lines farther on, he explicitly discredits this philosophy: "Making a living selling day dreams, sensations, packages of mental itching powders, is all right, but I think few men feels it's

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much of a life for a healthy adult." Yet Mr. Dahlberg has made it seem that, in the passage he quotes, Mr. Dos Passos is speaking in his own person, and having pretended to believe that the artistic credo Mr. Dos Passos condemns is Mr. Dos Passos's own credo, proceeds to attack it. When the irresponsibility of this device is understood, I believe that the other judgments offered in the review may be passed over in silence.

Mr. Dahlberg's very real sense of artistic responsibility as a novelist makes such critical irresponsibility the more shocking.

New York, March 9 LIONEL TRILLING

Confidence and Censorship

TO THE EDITORS OF THE NATION:

Last night I spoke under the auspices of the League for Industrial Democracy in Schenectady on A New Philosophy for a New Age. Arrangements had been made for a brief broadcast on the same topic over WGY, the General Electric station, at four o'clock the same afternoon. Shortly before the time of the broadcast, the head of the local committee of the L. I. D. was informed by the officials of WGY that the talk must be canceled, because of objections to the manuscript submitted. The Schenectady station, acting upon orders from the National Broadcasting Company in New York—a fact which was made plain by WGY spokesmen—took the position that nothing could be broadcast which would tend to "undermine confidence and faith." I quote a few of the statements which were found to be so fearsome.

After outlining the optimism which pervaded the liberal world at the end of the war, I declared:

> That we have seen exactly the opposite of this, only the most blind and stupid could deny. Instead, we see the nations with more men under arms than in 1913; we see the impoverished peoples of the world obliged to live in penury, with 45,000,000 unemployed and with a collapse of security from pole to pole—nevertheless having to pay out every year for armaments nearly five billions of dollars; and we see, not a growing harmony among the governments of the world, but aggravated tensions, augmented fears, and the development of new engines of destruction.

After recounting the manner in which our economic situation had been permitted to drift, and fresh utterances of optimism were depended upon to serve in place of constructive action, I said:

> Unless, however, I read wrongly the signs of the times, it seems to me that throughout the country these fine phrases about prosperity have themselves been shoved around the corner, and no longer grip the imagination of the people. Nor do I find today any widespread belief among the masses that we can depend upon the predictions or upon the leadership of such pioneers of prosperity as some of the officials of the great utilities and certain great banks.

A third objectionable passage referred simply to the existence of an economic war today and condemned the movement to Buy American. And finally, at the beginning of a closing paragraph offering the socialization of industry as the ultimate way out, I asserted:

> If there are those who still hold hopefully to the ordinary, time-tried methods of capitalist business and finance, let me remind them that we have had a significant depression in this country, since the Civil War, on the average of once every seven years. What is the promise of a system which, at best, can only bring us out of the crisis and keep us out just long enough to catch a deep breath before we go down again?

When the local committee took the matter up with the city press, one paper was already made up—a satisfactory excuse; but the other turned the issue aside by declaring that the radio station must be treated as another newspaper would be treated, and that to print anything about the prohibition of my address would be contrary to journalistic ethics!

As a sample of what we may anticipate as capitalism girds itself for its final effort, this single incident is not without significance.

Schenectady, N. Y., March 9 DEVERE ALLEN

For San Francisco Readers

TO THE EDITORS OF THE NATION:

The *Nation* Club of San Francisco is being reorganized as an intimate study and discussion group instead of the open forum which it has been hitherto. The main purpose is to bring together people interested in discussions, preparing papers, engaging in debates, and so on. Occasionally, also, an open-forum meeting will be held. Readers who are interested are asked to communicate with me at 775 Guererro Street. Telephone, Valencia 0984.

San Francisco, March 1 SOPHIE GREENBERG

In the Interest of Accuracy

TO THE EDITORS OF THE NATION:

Apropos of a paragraph on page 79 of your issue of January 25 dealing with a statement by Commander John Kenworthy, may I point out in the interest of accuracy that the Commander is not now a member of Parliament and never was a member of the Cabinet. He represented Hull in Parliament until the last election.

New York, February 28 MAURICE FIRTH

Contributors to This Issue

NORMAN THOMAS is the author of "America's Way Out: A Program for Democracy," and coauthor of "What's the Matter with New York."

LAWRENCE DENNIS was formerly connected with J. and W. Seligman and Company. He has also been in the diplomatic service in Nicaragua, Honduras, Haiti, and Rumania, and is the author of the book "Is Capitalism Doomed?"

ARTHUR WARNER, formerly an associate editor of *The Nation,* is the author of "A Landlubber's Log."

CLIFTON FADIMAN, head of the editorial department of Simon and Schuster, is at work on a book of criticism entitled "American Life and American Novelists."

CHARLES YALE HARRISON is the author of "Generals Die in Bed" and "A Child Is Born."

MARK VAN DOREN is the editor of a new anthology of American poetry, "American Poets. 1630-1930."

WILLIAM GRUEN, formerly an instructor of philosophy in the College of the City of New York, contributes frequently to the *Monist.*

CHARLES A. BEARD, author of important volumes on politics and American history, published last fall "A Charter for the Social Sciences."

C. HARTLEY GRATTAN is the author of "Why We Fought."

FERNER NUHN lives in Iowa and writes for various magazines.

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Books and Drama

Proletarian Literary Sans-Culottes

By CHARLES YALE HARRISON

PROLETARIAN literature, its exponents say, is the answer to the spirit of disillusion and despair which has descended upon American authors since the close of the World War. Unless our writers ally themselves with a militant sociological force, we are told, the poison of social pessimism will destroy American literature. Newton Arvin, writing in these columns some time ago, declared that "now that American writers, consciously or unconsciously, have made their final break with the middle class, it should be obvious that, unless they prefer a bleak or elegant futility, they can turn in but one direction, the proletariat." The word "proletariat" may mean one of two things: it may signify, when employed in its broader sense, the working class as a whole, or, as it is used by proletarian literary critics, the revolutionary section of that class. The largest and most representative organization of the American working class is the American Federation of Labor. Now surely Mr. Arvin does not intend that American writers should turn to William Green and Matthew Woll for inspiration and guidance. Quite obviously he means that they should turn to the Communists.

Politics and literature, the proletarian critics say, are inseparable social manifestations. Certainly proletarian literature and politics go hand in hand. Therefore an analysis of the proletarian literary movement must be preceded by a discussion of the Communist Party and its attitude toward writers and the artist class generally. Since the economic collapse in the fall of 1929, an increasing number of intellectuals have been clamoring for admission into the party. Very few have been admitted for the reason that while the Communist Party theoretically rests upon a "broad democratic base," in reality membership in the party is as restricted as it is in the Daughters of the American Revolution. In both groups birth is of the essence.

For years the word "intellectual" has been a term of reproach in Communist Party circles. Until quite recently "counter-revolutionary" and "intellectual" were synonymous. Even today a member of the middle class is admitted into the party only after he has been tested in the so-called bridge organizations—the International Labor Defense, the Workers' International Relief, the Committee for the Defense of Political Prisoners, and other party-controlled groups.

The trickle of intellectuals into the ranks of the proletariat prior to 1929 became a freshet after the panic of the ensuing years. Frustrated and economically defeated intellectuals found in the ranks of the Communist Party and its allied groups *une raison d'être*. The romantic program of the party, its Blanquist theatricalism, and its deliberately inflamed oratory appealed to certain sections of the disinherited intellectuals. College graduates looking with despair at overcrowded professions, school teachers long on the waiting list, and other impoverished professionals began to yearn, in their impatience, for a chance at the barricades. Lenin once remarked that there is no fury comparable to that of a dispossessed member of the middle class. The swing to the left was a manifestation of this rage. Certainly, the movement was actuated not by logical reasoning but by emotionalism.

The movement of creative writers to the extreme left has not been as great as the sound and fury would seem to indicate; but each convert, no matter how minor, was greeted with loud salvos of publicity. Among the novelists, Dreiser's conversion was the most outstanding, but he has since found it difficult to swallow the entire dogma and has moved somewhat to the right. While novelists, in the main, fought shy of the proletarians, critics in some cases welcomed the new literary credo. They immediately found it delightfully easy to explain everything from the psychological morbidity of Poe and Bierce to the phallic symbolism of Cabell in terms of ill-digested historical materialism. The eager young critics discarded aesthetic criticism for the heady, magic facility of pseudo-Marxian proletarianism. In Greenwich Village the revolution seemed about to burst forth at any moment. By a strange coincidence, the full force of the literary swing to the left synchronized with the Presidential election campaign in the fall of last year. In New York City the Communist campaign was conducted almost exclusively by littérateurs; a mystic philosopher lectured on the anthracite mining situation, a *transition* poet discussed technological unemployment, and an arty cinema critic demanded the establishment of the dictatorship of the proletariat. In Kansas, Oklahoma, and Iowa, communism was unknown, but in the ateliers and speakeasies of New York the social revolution suddenly became the mode.

After election day, when noses were counted, it was discovered that about one hundred thousand Americans had voted red—¼ of 1 per cent of the electorate. The millions of unemployed, the dispirited of the bread lines and flophouses, had voted for either Hoover or Roosevelt. Even the mild Socialist program suffered overwhelming defeat in terms of percentages. The proletarians, it seemed, had been preaching to themselves. After three years of provocative and bloody tactics in which demonstrators and strikers had been clubbed in scores of American cities in order to "inure the masses to police violence," the masses stubbornly voted Republican or Democratic. Of course, the party apologists will explain this lack of working-class support with devious charts and scholastic analysis, but the fact remains that the American workers have crushingly rejected the little Lenins of Fourteenth Street and the would-be Plekhanovs of the John Reed Club. If, as Plekhanov pointed out, art is the manifestation in form of the cultural superstructure of society, then, on the basis of the 1932 election returns, the proletarian literary movement in America is a synthetic monstrosity imposed upon American literature by a handful of wilful propagandists.

The John Reed Club, which is the organizational center of the proletarian literary movement in America, is in reality political rather than cultural in its activity. The slogan of the club reads: "Art Is a Class Weapon." Consequently, the basis for membership is the acceptance of the current political "line" of the Communist International recently promulgated

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at the last session of the International Convention of Revolutionary Writers in Kharkov, Russia. Writers and books are judged solely on their political merits. John Dos Passos's "1919" was criticized both in the Soviet Union and here as "bourgeois defeatism" because this astonishingly original novel failed to end on a note of class struggle. By the same standard a mediocre labor novel becomes "an imperishable epic."

This preoccupation with purely political rather than literary values leads the proletarians into odd situations. The case of Theodore Dreiser is an excellent example. Before the author of "Sister Carrie" indorsed communism, he was, in the eyes of the left-wing critics, "a confused liberal humanitarian." On his return from the Soviet Union he was embraced as "the most distinguished American novelist of our day, a titan . . ." A similar about-face occurred in the controversy over Diego Rivera, who was considered by the proletarians as one of the most vital modern painters. After his expulsion from the Mexican Communist Party he was reviled as the merest of daubers. The artist was reported to be considering a portrait of the late Ambassador Dwight Morrow. Joseph Freeman, writing approvingly in the *New Masses* of February, 1932, said: "There were revolutionary artists in Mexico who thought they saw definite marks of decline in Rivera's technical skill as he abandoned his revolutionary faith." One wonders at the nature of the revolutionary faith of Comrades Rembrandt, Da Vinci, El Greco, and Van Dyck.

Proletarian or Communist literature (the terms are used interchangeably by nearly all left-wing critics) is an anomaly in present-day America. If and when it does gain a footing here, its sponsors will have to be more responsible artists than the romantic literary *sans-culottes* who dominate the movement at present. They will have to learn the bitter lesson the Soviet Government has learned—that a politically indifferent but capable engineer can build a better hydroelectric plant than a loyal but inefficient party member. The Russians are learning that the same holds true of literature, which never did and never will thrive under political coercion. From now on our writers will do well to ignore the blandishments of all party encampments, left, center, or right. Instead of writing soap-box orations, our proletarian writers ought to create authentic, representative American literature. That is a task of major proportions.

Sonnet

By MARK VAN DOREN

Among love's alms let there be never rest;
Whatever else he gives, let him withhold
This certainty no heart has repossessed
Since the first lover who was hot and cold
Together at a time—Oh sweet confusion!
Oh knowledge lost, with only this to gain:
Uncertainty, repeating the profusion
Of spring when all the world is drunk with rain;
When grasses grow that sensibly should sleep,
And rise and mix their spears, and greenly blush;
But frosty nights will lay them in a heap—
Oh, like my heart, wherein a sudden hush
Tells me our love is ended; yet again
March blows, and I am happiest of men.

The Universe Unbound

The Expanding Universe. By Sir Arthur Eddington. The Macmillan Company. $2.

THE recent history of physics has been marked by a closer approach to some of the major problems of the physicist and the philosopher. In its pursuit of physical explanation science has discovered new aspects of old metaphysical problems. It has taken a philosophical turn, and philosophy is applying a closer scrutiny to the concepts of science. I am not referring to that "philosophical outlook" which has taken recent developments in physics as occasion for consolatory speculations on life, God, and the freedom of the will. Such empirical theology might cast a momentary glamor around the theories of science, but it can have little effect on their progress. There are, however, other philosophical problems whose solution is necessary to the clarification of scientific concepts. To these latter problems, unfortunately, few scientists have given attention, and few philosophers have brought to bear on them an adequate scientific knowledge.

In consequence the layman is doubly taxed in his efforts to follow the developments of modern physics. On the one hand, in reading the present book—which the publishers have called a book of "popular science"—he will discover that not even Eddington can reduce the concepts of modern physics to the terms which form the layman's elementary scientific equipment. The subject of this book, despite the author's graceful and dramatic exposition, is beyond the comprehension of anyone who is not familiar with some of the more abstruse aspects of physical theory. On the other hand, not all the layman's difficulties arise from the esoteric nature of the subject. There are inherent obscurities in some concepts of modern physics which require more than mathematical and experimental clarification.

Physics cannot avoid metaphysical analysis, for metaphysical assumptions underlie every effort to attach a "physical significance" to the concepts of mathematical physics. One of the foremost scientists of our time, Hermann Weyl, saw this clearly when he wrote: "In spite of the fact that the views of philosophy sway from one system to another, we cannot dispense with it unless we are to convert knowledge into meaningless chaos."

Eddington has been much criticized for his ventures into philosophy in his "Nature of the Physical World." In the present book he is rather insistent in claiming to have eschewed all philosophical speculation. But in forgoing all tempting digressions into what I have called his empirical theology, Eddington needlessly avoids all philosophical analysis and leaves some of the major concepts of his theory in a state of disturbing ambiguity.

One of the most interesting problems of modern physics is the quest for a theory which will correlate the observed recession of the galaxies, the determination of the "cosmical constant" in Einstein's relativity theory, and the concept of finite space. The tentative solution described by Eddington is an expanding universe—a universe in which "both the material system and the closed space in which it exists are expanding."

According to Eddington the universe has expanded to such an extent that "corresponding to any star or system there is a region of the universe which its light can never reach. And if light cannot, no other causal influence can reach it." In other words, there exist parts of the universe which can exert no influence whatever on us, although they are at a finite distance from us. But if they exert no influence, by what operations can the physicist determine their existence? Further, what is the operational distinction between a finite distance which separates two material systems that can exert no influence on each other, and an infinite distance which separates any two material sys-

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tems? Throughout the book Eddington insists on a strictly operational interpretation—that is, in terms of the operations of measurement—of physical concepts. But in terms of that operational interpretation the statement quoted is utterly meaningless.

These contradictions are not incidental to the theory of the expanding universe. They are intimately involved in that theory as applied to the physical world, although they do not affect its mathematical development. They result not from any mathematical or experimental error, but from the inadequate analysis of such concepts as "existence," "totality," "physical meaning," "magnitude of the universe," and "measurement."

There are those readers of popular books on modern physics who gambol through the physical universe in the hope of repeating Alice's adventures in Wonderland. To them Eddington's book has little to offer. But for those who seek some insight into cosmological theory this book will be a source of profound enjoyment. They will find in Eddington not only a great scientist, but also a writer who can impart to a difficult subject a delightful literary grace and—within the limitations I have indicated—an extraordinary clarity.

WILLIAM GRUEN

Capitalism and History

Entwicklungsgesetze des Kapitalismus. Von Alfred Müller-Armack. Berlin: Junker and Dünnhaupt.

WHAT are the conditions favorable to penetrating and creative thought in the field of humanistic studies? A fine office, with a padded swivel chair, a laboratory and a library equipped with filing case, adding machines, comptometers, and delicate instruments for measuring emotional reactions to aesthetic experiences, a rigorous empirical method, the golden glow of a new Gothic window, and the Indian summer of a safe job cushioned with a pension at the end? Perhaps so. Perhaps not. Judging by the books on economics, politics, cultural anthropology, and historism that have been coming out of Germany since the war, a big jar, a dissolving cosmos, and a touch of hunger in the offing may be conducive to a fresh survey of accepted ideas and methods. At all events, American readers who deem it constitutional to read foreign books (if they can) are finding in the works of Dilthey, Plessner, Mannheim, Carl Schmitt, Jostock, Kurt Riezler, and others of the humanistic school something besides the barren husks of old corn.

In the volume before us by a Privatdozent at Köln is a searching inquiry into the nature and tendencies of modern capitalism, which ought to be read with Jostock's "Der Ausgang des Kapitalismus." Here are explored the origins of capitalism, theories of capitalist evolution, industrial crises and their relation to capitalist evolution, structural changes in capitalism, the relation of capitalist evolution to the movement of total actuality called history, and the political forms of capitalism.

If capitalism is a closed system of terrestrial mechanics operating under its own laws and momentum, why does it break down occasionally? Is the crash due to some internal defect in the machine or to some outside intervention? If to the former, then the machine is not a true machine. If to the latter, then the system is not closed, but is a part of the whole movement of history—ideas and interests—in general.

With Teutonic courage Dr. Müller-Armack walks squarely up to the ancient demons: the determinism of the theological idea and the determinism of physics. In America, of course, we refer these futile matters to theologians and philosophers with a gesture of impatience, and turn to our adding machines, graphs, curves, and correlation charts. But this author thinks we must wrestle with them if we are to do any serious thinking about the evolution of capitalism as a phase of cultural anthropology. In this he is in harmony with such writers as Riezler.

Cultural anthropology makes short work of the tyranny of theological determinism. Then the question is asked: What imperative requires us to assume that the determinism of physics (old style) is applicable to the world of intuition and thought? What imperative indeed, my masters? If we look at the facts in the case we cannot accept a theory which treats history as a chain of causes (running back to what point?) determined throughout, to the falling of the last hair from the head of the last patriarch. In the place of this theory we must establish one which assumes that we can merely discover the conditioning realities which make possible what happens without causally determining it in detail. Into this theory of history the evolution of capitalism must be fitted. Thus a way is open for the peril of choice, which may be the Marxian *Sprung in der Freiheit.*

CHARLES A. BEARD

Wilson, House, and War

The Strangest Friendship in History. Woodrow Wilson and Colonel House. By George Sylvester Viereck. Liveright. $3.

MR. VIERECK'S book is more valuable than will be granted by most reviewers, who will find it written in a florid, "now it can be told" manner which somehow invests statements of the best-known facts with an aura of the extremely revelatory. The book is valuable because it directs attention to facts which the "official" historians are just beginning to admit, and which the general reading public has carefully avoided knowing. There is little original research embodied in the volume, but it is valuable as documentation for the quoted conversations which record what the Colonel now thinks of events of long ago. Of himself Mr. Viereck writes:

> I was a pro-German, true, but I was an American first. . . . When I began my study I looked upon Woodrow Wilson as the villain of the ensuing drama. As I proceeded to delve into the debris of reminiscences and unwritten history, he gradually assumed some aspects of a martyr and a saint. There was a time when there was no one in the world whom I more distrusted than Edward Mandell House. Today he seems to me a genuine philosopher and a gifted statesman. Even if his good intentions, like Wilson's, have helped to pave mankind's way to hell, they gave us a glimpse of the Promised Land where peace abides and a new sanction governs the fate of nations.

This rather long passage has been cited because Mr. Viereck's facts are so contrary to his opinions about them and the men back of them that this reader is lost in utter amazement. If Viereck feels that way about Wilson and House when he once hated them, the only logical conclusion one can draw is that in the process of revising his judgment he has not been content to hold the balance even; he has also felt it necessary to throw away the balance altogether and appear before the astonished public as a House-Wilson worshiper. Yet there are greater adulators of House and Wilson than Viereck, and few of them are so prepared, in a work about their heroes, to cite facts which contradict the mythology presented therein. This allows Mr. Viereck to appear in a double role—a man with a high opinion of the pair who yet is not a falsifier of the historical record.

If nothing is to be gained by this sentimentality, a good deal is to be gained by Mr. Viereck's honest admission that Wilson and House were hopelessly biased in favor of the Allies; that America's alleged neutrality was a snare and a delusion; that the case against the Allies was always stronger than that against Germany; that all the facts warranted a war with England if they warranted war at all; that House and Wilson were jointly

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responsible for selling the cornerstone of any sensible American policy, the Declaration of London, for British good-will, such as it was; that Wilson and House consistently and persistently endured the most exasperating insults from the British; that both of them were roped in by the callow, slimy virtue of Sir Edward Grey, the grave-digger of the British Empire; that both of them shut their eyes to the secret treaties and were so utterly ignorant of international practice that they thought the Fourteen Points superseded the treaties because they were enunciated after them; and so on far into the dark and gloomy night. Mr. Viereck's book tells us all these things, and it is valuable because it does tell them. The interpretative decoration he adds is weak stuff. He has been beguiled by the fact that Colonel House talked to him. He would have written a more realistic book if the Colonel had slammed the door in his face.

Mr. Viereck believes that the partnership between House and Wilson was a sort of intellectual symbiosis, and that neither man was complete without the other. "Woodrow Wilson stalks through history on the feet of Edward Mandell House." Perhaps so. Perhaps also, and more probably, they were both men who "meant well" (oh, horrible and disgusting phrase that covers so many villains with a forgiveness they do not deserve!) and who had muddled and muddied minds. Wilson saw clearly enough at times and announced his insights in resounding rhetoric. House never saw clearly at all. The roots of his foreign policy were false roots, every one of them. Viereck's facts prove that. They prove also that if House had not been constantly selling war to Wilson, the President would have kept us out of it (barring some other equally malign adviser). House wanted war; he intrigued for war; he won Wilson to war. Wilson did not want war but he was ill prepared to hold his position. He did not have the type of mind which could handle, realistically, the difficulties with which he was faced. He was defeated by defects seemingly inherent in the American mind, plus the stupidly bad advice of House. "The pacifist Wilson never forgave himself the surrender of his dearest convictions," writes Viereck. House forced him to surrender them. The Germans with their submarines provided the flimsy occasion. And when Wilson discovered in Paris that he had lost the game by playing it according to House's rules, he quietly dropped his old friend. It was a bitter way to salve one's conscience, and one that has led to the cry that he was ungrateful. Viereck prefers to look for the woman, and thinks that the alienation was brought about by the jealousy of the second Mrs. Wilson. This is good drama but bad in every other way. It simply emphasizes once more that Mr. Viereck's facts are more valuable than his interpretations. Respect for facts is the beginning of wisdom. Mr. Viereck was well along the road when he turned back and began to apply the gilt.

C. Hartley Grattan

Lawrence and the Short Story

The Lovely Lady. By D. H. Lawrence. The Viking Press. $2.

THE short story seemed hardly a first-choice form with Lawrence. Only occasionally he gave it the deliberate attention which produced an "England, My England." In the present collection of seven examples (two of which, by the way, have been printed before, in 1927 and 1928) only one is a first-rate short story—The Rocking Horse Winner. For the most part, when Lawrence used the form, there was a negligent air, as of improvisation and short attention. Often it seemed to serve him only for a gathering of chips left over from his novels. Thus Mother and Daughter in this volume is clearly an offshoot of "St. Mawr," and The Overtone is a bit of addendum to "The Escaped Cock." Furthermore, Lawrence tended to let himself go in the short story in a sort of bitterness toward his characters which, with greater integrity, he had resolved in his novels. The mother in Mother and Daughter is only the meaner half of Mrs. Witt in "St. Mawr," and most of the main figures in the other stories are but spitted, as it were, on the points of their weaknesses.

Nevertheless, there are memorable things in the volume, or it would not be by Lawrence. One will not forget the marvelous Armenian widower in Mother and Daughter, with his heavy lids and white lashes, who could sit "like a toad, as if seated for a toad's eternity"—humble, sensual, and conquering. There is a note of enjoyable humor, rather rare with Lawrence, in Rawdon's Roof. ("Rawdon was the sort of man who said, 'No woman shall sleep again under my roof.' ") The story Things is a sharp satire on the sort of intellectual New England couple, worshipful of Europe, who build their lives on a collection of objects of art—a rather jeering footnote to Henry James. (In the end the husband is described: "Round his nose was a queer, evil, scholastic look, of pure skepticism.")

And finally there is The Rocking Horse Winner. This story of disastrous precocity has a queer, bizarre, but powerful quality hard to describe. It is rather off the line of Lawrence's usual vein. It is somewhat like a Hans Andersen sophisticated by Freud, or Poe let loose in the nursery. It is a complete thing, strange and provocative, and seems to prove, if anything, that a great writer has potentially many facets.

Ferner Nuhn

Unemployment Insurance

Standards of Unemployment Insurance. By Paul H. Douglas. The University of Chicago Press. $3.

The British System of Social Insurance. By Percy Cohen. With an Introduction by Neville Chamberlain. Columbia University Press. $3.50.

Insuring the Essentials. By Barbara Nachtrieb Armstrong. The Macmillan Company. $5.

Human Aspects of Unemployment and Relief. By James Mickel Williams. The University of North Carolina Press. $2.50.

IN the present group Percy Cohen's volume attempts to be nothing more than a handbook describing in detail the actual laws and practices governing health and unemployment insurance, workmen's compensation, and widows', orphans', and old-age insurance in Great Britain, and as such it is very fully and competently done. Barbara Armstrong's volume covers a much wider field, discussing minimum-wage legislation and social insurance in nearly all the principal countries of the world; it is almost encyclopedic, and runs to 717 crowded pages. Mr. Williams, a relief worker, describes the human effects of the depression in general and on particular families—the homes destroyed, the impairment of health, the breakdown of morale and morals, the effects on children. His material is extremely impressive, but his writing is pedestrian and amateurish; the book would have been much more effective if it had been cut down to two-thirds of its present length.

Professor Douglas's volume is by far the most readable and important of the present group. It is not a description of foreign plans of unemployment insurance except in so far as it attempts to profit from the lessons of foreign experience. What it does is to describe how unemployment insurance could best be adapted to America. It discusses fully but concisely the case for unemployment insurance, the proper scope of unemployment-insurance acts, the conditions of eligibility for benefit, the amount of benefits to be paid, the probable costs, the sources and amounts of contributions to the fund, problems of administration, and

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the question of constitutionality. The texts of the Wisconsin act and the Ohio bill are printed in appendices. The book is admirably organized. Professor Douglas's plea for compulsory unemployment insurance has the strength of understatement. He points out, for example, that in 1931, when total wages were 40 per cent less than they had been in either 1926 or 1929, dividends and interest were still 87 per cent above their 1926 total and still somewhat above that of 1929. He permits himself this mild comment:

> It is, therefore, cruel irony for members of the comfortable classes whose own incomes have been appreciably stabilized by the reserve policies of corporations to object to the setting aside of similar reserves for labor. There is, indeed, but one feature more ironical, and that is the spectacle of people contributing small sums of money and cast-off clothing as charity to the unemployed and at the same time insisting that the latter should be protected from self-respecting insurance.

H. H.

Shorter Notices

Tattered Banners. By Talcott Powell. Harcourt, Brace and Company. $2.50.

To those who are inclined to view as an individual episode the great financial burden saddled on the United States in behalf of World War veterans, Mr. Powell's book is a reminder that throughout all history the demobilization of citizen armies has often been as great a hazard to the state as if the enemy had been allowed to invade it. "Tattered Banners" tells of the troubles nations have had with their returned soldiers since the time of the Romans, especially of happenings in the United States, which as a democratic nation has suffered acutely. By the year 1860 this country had got so clear of soldier claims arising from previous wars that the commissioner of pensions proposed to reduce his staff of seventy-one. The outbreak of the Civil War changed the situation, and no commissioner of pensions since that time has felt that he could cut his force. Indeed, the redoubtable Corporal Tanner, President Harrison's commissioner of pensions, boasted: "I will drive a six-mule team through the Treasury. God help the surplus." Although for the fiscal year ended in 1932 one-fourth of the federal expenditures went to 1 per cent of the population, represented by ex-soldiers and their dependents, the demand for class favoritism has not yet reached nearly its full stride, if past experience is an indication. The disability allowance, jammed through Congress in 1930, opens the road to a general service pension. It provides for payment to any veteran who is as much as 25 per cent disabled, even though his disabilities have no connection with war service. Since the Veterans' Administration has ruled that cross-eyes, nearsightedness, farsightedness, and inferiority complex are compensable, the possibilities under the new act seem almost unlimited. As a story Mr. Powell's pages are entertaining; as a tract they are disturbing.

One Against the Earth. By Daniel Mainwaring. Ray Long and Richard Smith. $2.

This first novel by a young writer shows power in plotting and, what is more important, knowledge of a background—the California farm lands and farm people. The author, reared in that setting, understands and interprets very sensitively and intelligently those men and women whose struggle is with the earth. His hero is a boy born with a passion for individual freedom, and caught both by the necessity of keeping the farm and by his mother's intense and earthy maternalism. Earth and Woman are the forces which keep him from the freedom he desires. He flees from both, but only into disaster. With a kind of fatal irony Earth and Woman in the end break his strength and cause his destruction. The story has the power to hold the reader's attention, but it has the weaknesses common to young writers—a lack of humor and a tendency to overintensify the drama. A writer, however, who so completely understands one group of human beings and is so poetically sensitive to the beauty of a natural background has every chance to develop into an interesting novelist. Realism here is tempered with poetic insight. The prose has rhythm and, in several chapters, a powerful economy of phrasing.

One More Spring. By Robert Nathan. Alfred A. Knopf. $2.

Robert Nathan has not done much more here than retell with new characters and new settings the charming story he has told a number of times before. But the story has a sting, this time, that it did not have before; "One More Spring," with all its fairy-tale paraphernalia, is a fantasy about very immediate and acute things. It is a pastoral of starvation and cold in Central Park. Again there are the gently comic doings, the airy situations, the delicate balance of character against character. A bed is finally obtained, so that the lovers in the end will not need to worry about that. The book will probably do no one any harm, provided the very keen pleasure it gives does not obscure the reality it plays with so charmingly. One sentence, at least—Mr. Otkar's remark about the merry-go-round—is memorable for itself.

The Unconquerable Tristan. The Story of Richard Wagner. By B. M. Steigman. The Macmillan Company. $3.

Mr. Steigman is interested chiefly in telling the story of Wagner's life from the viewpoint of his relations with the three women who most greatly influenced him—Minna, Mathilde Wesendonck, and Cosima. That desire is commendable, for it might have led to a work of constructive value. What has been produced purports to be a biography, although it bears distressingly the earmarks of the romanticized "biographical novel" of which we have had altogether too many unedifying examples. Mr. Steigman deserves praise in so far as his work is the result of serious study of letters and other source material (although he fails to take advantage of some important documents recently published); but the merit of his work is considerably impaired when he supplements quotations of authentic first-person narrative with dialogue or indirect discourse that is wholly invented. And whatever value there might be in the author's entirely personal "notions" of how the drama was enacted is, for one reader at least, entirely destroyed by the over-concerned and sentimental style in which the book is written.

The Surge and Thunder: Trends of Civilization and Culture. By Charles Gray Shaw. American Book Company. $5.

Dr. Shaw's exposition of the idealistic leaven at work in the body politic is described in the subtitle and not in the title itself, which one surmises to be the publisher's dubious device for stimulation of sales. Certainly this dispassionate survey has nothing contentious about it, and its serenity is far removed from the surge and thunder of battle. Mankind is here considered not as a pugnacious breed, but as a species that adds to its stature by taking thought. With encyclopedic thoroughness Dr. Shaw follows the process of social growth from the primitive family to the complexities of international credit, and traces the parallel cultural developments. Without dogmatism, in a spirit of balanced judgment, he presents a remarkably comprehensive résumé of man's intellectual adventures. His catholicity of taste is such that he seems equally at home in speaking of philosophical systems and of the merits of contemporary composers. Tolerance of manner, clarity and animation of style, and a dry humor make this book eminently readable, and there are no stretches of pedantic tediousness in its 650 pages.

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Jehol. City of Emperors. By Sven Hedin. E. P. Dutton and Company. $3.75.

Vincent Bendix, a Chicago millionaire, wished to have a Lama temple, either an original or a replica, erected in Stockholm and another in Chicago. He commissioned Sven Hedin to make one of his jogs through unknown China to select a model; and this book is a result of the journey. The expedition took its course to Jehol, summer capital of the early Manchu emperors, because a group of Lama temples had been erected there for the convenience of one of the pontiffs of the Lama church, who was virtually kept prisoner for political reasons, and another group had been built there to celebrate the return from Russia of the Torgots, the Tartar tribe whose flight is the subject of one of De Quincey's most brilliant pieces. Jehol is only a few days' distance from Peiping, in the province bordering on Manchuria which the Japanese have begun to make suddenly and bloodily historical. As the events of the expedition could not make an adventure story like the author's previous volume, "Across the Gobi Desert," he turned to the brilliant reigns of Kang Hsi and Chien Lung, the greatest of the Manchu emperors, to the terrible and fascinating migration of the Torgots, and to sensational episodes in the court history of the emperors who amused themselves at Jehol. Mr. Hedin is a mediocre historian and a mediocre writer, but he has happened upon absolutely spoil-proof material, and his book, in spite of its superficiality, makes very lively reading.

Ramillies and the Union with Scotland. Volume II of *England Under Queen Anne.* By George Macaulay Trevelyan. Longmans, Green and Company. $5.

This is the second volume of a work (planned in three) that is likely to become one of the historical masterpieces of our time. It deals with three important developments in British history: the war against Louis XIV which ended the threat of French hegemony on the Continent and established England's position as the decisive outsider in European quarrels; the initiation of party responsibility in English government practice; and the union with Scotland which integrated the power of the British nation. Mr. Trevelyan's treatment of these three great events is masterly. His narrative is well ordered; he has an eye for significant detail and a shrewd insight into the characters of historical figures. These are literary values; but history is still a variety of literature rather than a department of science, and these virtues are enough to outweigh such faults as an excessive admiration of generals and an excessive interest in political affairs to the neglect of the social and economic factors of the period dealt with.

Haiti Under American Control. By Arthur C. Millspaugh. World Peace Foundation. $2.50.

This is a useful and ably assembled compendium of many—if not all—of the essential facts concerning the United States occupation of Haiti by one of the ablest American officials who served there, and one of the few who exhibited some understanding of the Haitians. His is an obviously scrupulous effort to hold the scales even in presenting both aspects of a highly controversial issue. Careful reading fails to disclose any great enthusiasm for the achievement of the United States in Haiti. On the other hand, the natural predisposition of an American official to assume the essential rightness of his country's position occasionally seeps through. Witness the reference to the tendentious and inaccurate report of Dr. Carl Kelsey as "a scholarly justification of intervention," and the final sentence that "it should be a satisfaction to citizens of the United States that their own country has been able to render a service to a neighbor in need. . . ." The record scarcely justifies the conclusion that altruism played any part whatever in the assault on our needy neighbor.

Films

Beauty and the Beast

At least one of our national characteristics is illustrated in the RKO-Radio production of "King Kong" which loomed over the audiences of both Radio City movie-houses last week. It is a characteristic hard to define except that it is related to that sometimes childish, sometimes magnificent passion for scale that foreigners have remarked in our building of hundred-story skyscrapers, our fondness for hyperbole in myth and popular speech, and our habit of applying superlatives to all our accomplishments. Efforts to explain it have not been very satisfactory; the result is usually a contradiction in which we are represented as a race that is at once too civilized and not civilized enough. If Herr Spengler interprets the extreme gigantism of the American mind and imagination as the sign of an inflated decadence resembling that of Alexandria and the later Roman Empire, others discover in it the simpler expression of a race still unawakened from childhood. At Radio City last week one was able to see the contradiction pretty dramatically borne out; an audience enjoying all the sensations of primitive terror and fascination within the scientifically air-cooled temple of baroque modernism that is Mr. Rockefeller's contribution to contemporary culture.

What is to be seen at work in "King Kong" is the American imagination faithfully adhering to its characteristic process of multiplication. We have had plays and pictures about monsters before, but never one in which the desired effect depended so completely on the increased dimensions of the monster. Kong is a veritable skyscraper among the apes. In his own jungle haunts he rules like a king over the rest of the animal world; and when he is taken to New York to be exhibited before a light-minded human audience he breaks through his chromium-steel handcuffs, hurls down two or three elevated trains that get in his way, and scales the topmost heights of the Empire State building with the fragile Miss Fay Wray squirming in his hairy paw. The photographic ingenuity that was necessary to make all this seem plausible was considerable, and in places so remarkable as to advance the possibility of a filming of certain other stories depending largely on effects of scale—"Gulliver's Travels," for example, and possibly even the "Odyssey." But, unfortunately, it was thought necessary to mitigate some of the predominant horror by introducing a human, all-too-human, theme. "It was not the guns that got him," says one of the characters at the end, after Kong has been brought to ground by a whole squadron of battle planes. "It was Beauty killed the Beast." By having Beauty, in the person of Miss Wray, lure the great monster to his destruction, the scenario writers sought to unite two rather widely separated traditions of the popular cinema—that of the "thriller" and that of the sentimental romance. The only difficulty was that they failed to realize that such a union was possible only by straining our powers of credulity and perhaps also one or two fundamental laws of nature. For if the love that Kong felt for the heroine was sacred, it suggests a weakness that hardly fits in with his other actions; and if it was, after all, merely profane, it proposes problems to the imagination that are not the less real for being crude.

The technical difficulties, both of acting and photography, inherent in any treatment of the Dr. Jekyll–Mr. Hyde theme were pretty consistently ignored by those responsible for "L'Autre" at the Fifth Avenue Playhouse. Nothing in its direction reminded one that it was the work of Robert Wiene, whose "Cabinet of Dr. Caligari" was so important in the devel-

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opment of still photography in the silent film. The German operetta "Friederike" at the Europa is worth seeing principally for the charming reconstruction of eighteenth-century Germany which is its background, and worth hearing for those of the Franz Lehar songs which are sung by Mady Christians.

WILLIAM TROY

Drama

Wake Up, Jonathan!

SOME weeks ago I contended that Mr. Behrman's "Biography" was a "serious" and "important" play. Since I expressed that opinion I have been told that a great many people are unable to understand how a mere comedy dealing with mere individuals could possibly deserve either of these two adjectives. To such I accordingly recommend as probably nearer their taste the latest offering of the Theater Guild at its own theater, for whatever the other merits and the other defects of "American Dream," no one could possibly fail to observe that its intention is to be both "serious" and "important." In the first place, the three little plays which constitute this trilogy in miniature cover America from 1650 to the present day. In the second place, the real if not the nominal hero of the last section is a Communist leader of fabulous serenity who drifts in and out of the action while waiting for the inevitable revolution to take place. And if these two facts do not make "American Dream" serious and important, then I do not know what would.

I do not want to suggest that the work is without its merits. The first two scenes have a rather genuine if conventional literary quality; the last, which goes modern with a vengeance, is competently written in the manner, somewhat flashy and somewhat splashy, of the smart contemporary playwright; but the confusion of intention is almost as marked as the confusion of manner, and the result is a collection of shreds and patches which one hardly knows what to make of. Indeed, the change in both style and mood is violent enough to arouse the suspicion that the author underwent a change of heart between the time when he began and the time when he finished his work; that the first two scenes were written under the influence of that traditional American liberalism which is expounded by such literary historians as Van Wyck Brooks and Lewis Mumford, while the last scene was either written or rewritten after the author had become a subscriber to the *New Masses* or some other Marxian organ. It is well, of course, that authors should change, and that they should grow if possible; but the change should take place between works, and when a playwright undergoes conversion in the middle of his play the result is likely to be more than a little bewildering to an audience which finds it difficult to shift its allegiance during a ten-minute intermission.

The first of the three plays reveals how a lusty young Puritan rebelled against the theological tyranny of his parents and went West in the company of a bastard child of nature who lived in the woods with her hair down her back. The second shows an equally lusty descendant of the first hero who leaves his family and goes still farther West to escape from the tyranny of industrialism. In the third, however, lustiness has run out of the strain. A prodigiously wealthy scion of the family writes a radical book, discovers that it has become a best-seller, and then shoots himself because the Communist leader referred to above cannot get him taken into the party which the latter is supposed to lead. The difficulty is the difficulty of making out what all this is supposed to indicate. At first the

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A SATURDAY NIGHT. Playhouse. Peggy Wood in an innocuous but amusing domestic comedy.

ALIEN CORN. Belasco Theater. Katharine Cornell in Sidney Howard's play about art and the Middle West. Not the playwright's best.

AMERICAN DREAM. Guild Theater. Very serious trilogy about our lost ideals.

BIOGRAPHY. Avon Theater. An intelligent and sinewy comedy about what happens when a cultivated woman of the world tries to choose between a pompous opportunist and an unmanageable idealist.

DESIGN FOR LIVING. Ethel Barrymore Theater. Noel Coward and the Lunts having a good time in a play by the former.

DINNER AT EIGHT. Music Box Theater. Lively but pretentious melodrama by Edna Ferber and George Kaufman.

GOODBYE AGAIN. Masque Theater. Fine performances by Osgood Perkins and others make this farce comedy very funny.

ONE SUNDAY AFTERNOON. Little Theater. Unpretentious comedy about a small town dentist. A surprise hit.

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TWENTIETH CENTURY. A wild melange of farce, burlesque, and disorderly conduct. Funny and a hit.

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BIOGRAPHY
A comedy by S. N. BEHRMAN
AVON THEATRE Forty-fifth Street West of Broadway
Evgs. 8:30—Mats. Thurs. & Sat. at 2:30

THE THEATRE GUILD *presents*
AMERICAN DREAM
By GEORGE O'NEIL
GUILD THEA. 52nd St., West of B'way. Evgs. 8:30
Mats. Thurs. and Sat. at 2:30

THE THEATRE GUILD *presents*
"Both Your Houses"
A comedy by MAXWELL ANDERSON
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A GREAT DEBATE!

"Does the Democratic Party Hold Any Substantial Hope for the American People?"
MARCH 19 SUNDAY 8:30 P.M.
Senator Joe T. ROBINSON vs. Morris HILLQUIT
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30 Lafayette Ave., near Flatbush Ave.
Tickets: 25c—55c—$1.10 at Box Office—Rand Book Store—7 E. 15th St., N. Y.
MAR. 26: H. V. KALTENBORN vs. FIORELLO LA GUARDIA

Meets at Club House THE GROUP 150 West 85th St.
Tuesday Evening, March 21, at 8:30 P.M.
PROF. DAVID S. MUZZEY speaks on
"IS DEMOCRACY DOOMED?"
This Sunday Afternoon (Mar. 19) at 4:30 P.M.
GERTRUDE DIAMANT speaks on
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"SHAME"
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"By Rocket to the Moon"
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"Danton, The Revolutionist"
ACME THEATRE Midnight Show Every Saturday
14th St. and Union Sq. *Rendezvous of the Intelligensia*
Admission to 1 p. m.—15c—Except Saturdays, Sundays, and Holidays

author seems to be saying that the American dream is a dream of liberty which each generation pursues anew. But the "message" of the last act is not equally clear. Does it mean that this dream has been revealed at last as merely a dream which it is now time to abandon; or is our author trying to advance the rather difficult thesis that communism is really a part of the continuous tradition of American liberalism?

On this last point the author is perhaps clear in his own mind, but the last of the Pingrees is not, and it is only from him that we have an opportunity to learn what his ideas are. Indeed, it is evident that his wealth is not the only reason why the party will have none of him, for even my lay mind can perceive that he is doctrinally far from sound. He looks out upon the night, broods over the meaning of the stars, and goes into ecstasy over the song of the whippoorwill. What is more, he speaks affectionately of liberty and seems to believe that it is of considerable importance. But surely even a Pingree ought to know that neither the poetry of nature nor the intrinsic value of liberty is highly regarded by Marxians—however important they may have been in the texture of the earlier American dream. In any event, his determination to shoot himself just because *a* Communist Party refused to let him in seems a little precipitate. In the first place, a number of American intellectuals get along very well while advocating the rightness of an organization which refuses to recognize them. In the second place, there are four different Communist parties right here. Surely our hero might at least have tried the other three before shuffling off this mortal coil.

Philip Moeller directs the production with his usual skill, and the acting of Douglass Montgomery, the hero, and of Samuel Goldenberg, the serene proletarian, is commendable. Something must also be said for Helen Westley, who adds the touch of humor conspicuously absent when she is not on the stage. Nevertheless, "American Dream" is primarily for those who want their seriousness and their importance to be absolutely unmistakable.

"Forsaking All Others" (Times Square Theater) and "Our Wife" (Booth Theater) bear a general resemblance to each other. Both are ultra-smart farce comedies which deal admiringly with the sayings and doings of sophisticated monsters who bear some slight resemblance to the young men and women of our fast set. Neither is very firmly written and both tend to wobble a good deal as they go along, but of the two "Forsaking All Others" has decidedly the best chance of success for the simple reason that it is that little bit better which is enough to make all the difference. Also it has the advantage of returning to the American public Miss Tallulah Bankhead, who reveals herself as an actress of genuine, if rather tenuous and decidedly decadent, charm. Probably she will carry it along for some weeks to come.

JOSEPH WOOD KRUTCH

"Run, Little Chillun!" by Hall Johnson at the Lyric is a successful dramatization of the community background in which Negro spirituals were born. The story is based on the conflict between the imposed white customs, as represented by a Baptist congregation, and those deeper urgings aroused by a nature cult sponsored by a group calling themselves the New Pilgrims. It is not the plot, however, but the superb singing and stage direction and, above all, the genuine reproduction of Negro folkways, that makes the play memorable. The first act in the minister's home drags somewhat, and could be improved by cutting. The second act, showing the New Pilgrims in their revels, is exaggerated and more suggestive of a fantastic Caribbean isle than of conditions to be found in the South. A more subdued lighting in this act would go far to lessen this objection. Nevertheless, the play deserves a long run for its color, its harmony, its verve, and its large content of authenticity.

E. G.

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